

City Council

**June 10, 2014
City Hall, Council Chambers
749 Main Street**

Special Meeting Agenda

7:00 PM

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. APPROVAL OF AGENDA**
- 4. OATH OF OFFICE – JAYME MOSS, WARD I**
- 5. RECEPTION**
- 6. ADJOURN TO STUDY SESSION**

Study Session Agenda

7:30 PM

- | | | |
|-----------------------|-------------|---|
| 7:30 p.m. – 8:00 p.m. | I. | Discussion – Community Garden |
| 8:00 p.m. – 8:30 p.m. | II. | Discussion – Public Art Program |
| 8:30 p.m. – 9:15 p.m. | III. | Discussion – Fiscal Model Update |
| 9:15 p.m. – 9:20 p.m. | IV. | City Manager's Report
a. Advanced Agenda |
| 9:20 p.m. – 9:25 p.m. | V. | Identification of Future Agenda Items |
| 9:25 p.m. | VI. | Adjourn |

**SUBJECT: STUDY SESSION – PROPOSED NEIGHBORHOOD
COMMUNITY GARDEN**

DATE: JUNE 10, 2014

**PRESENTED BY: LOUISVILLE SUSTAINABILITY ADVISORY BOARD MEMBER
MARY ANN HEANEY**

SUMMARY: The Louisville Sustainability Advisory Board has been working toward a community garden for several years. This discussion will cover the benefits of a community garden and proposes an action plan to make the community garden a reality.

ATTACHMENT(S):

1. Proposed Community Neighborhood Garden presentation

Louisville Sustainability Advisory Board Proposed Neighborhood Community Garden

Proposal

Obtain City of Louisville support for a neighborhood community garden.

Purpose

- Provide an additional community garden for Louisville citizens - particularly those without access to garden land (residents in multi family homes, with small yards, with shaded or unsuitable land)
- Align Louisville more closely with the concepts of a livable city.
- Provide an opportunity for development of a strong social network.
- Enhance sustainable practices in Louisville through the growing of local food.
- Address a recreational/sustainability trend desired by citizens (over 150 citizens have signed petitions supporting the garden)

Additional Benefits

- Beautify unused, vacant land
- Foster a sense of belonging and attachment for gardeners and the neighborhood
- Model sustainability through organic practices and efficient use of resources
- Promote healthy food and a healthy lifestyle
- Provide citizen's in Lydia Morgan Elderly Housing with an opportunity to garden
- Conform to intent of the PROST Master Plan to provide garden for citizens¹
- Adhere to goals of the final Comprehensive Plan to provide a sense of community²

Proposed Site

- Empty lot on the NW corner of Garfield Avenue and Griffith Street. The Parks and Recreation Department have proposed this site. (See Appendix A)
- LSAB would like to propose an alternate site - the unused lot on the NE corner of Garfield Avenue and Griffith Street (See Appendix B). This site is adjacent to less housing. A garden could also be set back further from the road.

Minimum requirements for a Garden Site

- Sufficient space for 25 plots - each 10' X 25'
- Six to eight hours of sun daily
- Location central to a neighborhood
- Location with minimal impact on adjacent land users
- Space for limited parking (2-4 vehicles)
- Water tap

Organization

- Self governing citizens group - non-profit 501(c)
- Management Committee elected by gardeners for the following roles: Administrator, Membership, Treasurer, Secretary, Maintenance, Enforcement

¹ *Louisville Parks and Recreation Master Plan Summary - Final Results*, February 2012, Objective 2.2 ("Ensure that changing trends and needs are addressed...e.g. community gardens"); 2.9 d (establish a process for evaluating surplus properties..."some of the smaller properties throughout the city could be good places for local community gardens.")

² *City of Louisville Final Comprehensive Plan*, May 7, 2013, The Vision Statement and Core Community Values, Core Community Values

Louisville Sustainability Advisory Board Proposed Community Garden

- Additional Committees as needed: Community Outreach, Education, Garden Mentoring
- Garden Administrator acts as liaison to the City
- Administrator educated, trained, and supported through Denver Urban Gardens' (DUG's) annual Administrator's training program
- DUG's organizational and operational guidelines, contracts, rules and regulations, educational courses, and marketing materials will also provide guidance as needed

Documents and Other Requirements for Gardeners

- Annual contract
- Plot fees as determined by the Management Committee (covers water costs and incidentals such as mulch, small tools, garden improvements, etc.)
- Participation in garden construction (initial year)
- Participation in operations and maintenance activities
- Participation in annual end of season cleanup

Financial

- Possible funding obtained through Great Outdoors Colorado's grants and the Colorado Parks and Wildlife Outdoor Recreation's grants.
- Donations (private and corporate)
- Possible Raffle to buy the right to "name the garden" for one year.

Legal Considerations

- Arrangement for use of city land. (In an informal conversation with the City Attorney in August of 2013, a formal contract with a 501C was discussed as a possibility.)
- Payments to City for water usage.

Possible Garden Design (To Be Determined by Gardeners)

- Largely in ground plots
- Some raised beds for physically challenged access
- Minimal pathway/surface treatments
- Accessibility
- Small storage area (tools, compost bin, hoses)

Anticipated Site Preparation Activities

- Clean/clear the site
- Install beds/amend soil
- Install irrigation system and hardscape (paths, fence,)
- Obtain donation of materials
- Coordination of volunteers: citizens, Louisville's Boy Scout troop, Holy Family High School and Peak to Peak Charter School students community service projects

Suggested Community Outreach Activities

- Art walks in the Garden
- Education events: composing; organic gardening, heirloom vegetables
- Children's pumpkin growing contest
- Scholarship beds - low income plot award
- Live music some evenings

Next Steps

Contingent upon City of Louisville support and approval, LSAB and citizens would then work with City staff to develop a detailed project plan (including site details, activities, and timeline), submit that plan for consideration as a Special Review Use, and get the word out on the proposal through informal grass roots communications to ensure all potentially interested parties receive notice and the proposal is properly vetted.

APPENDIX A



NW corner - Garfield Avenue and Griffith Street



NE corner - Garfield Avenue and Griffith Street



Artist's rendering of proposed garden.



Example of proposed garden.

SUBJECT: PUBLIC ART PROGRAMS AND BEST PRACTICES

DATE: JUNE 10, 2014

**PRESENTED BY: SUZANNE JANSSEN, CULTURAL ARTS AND SPECIAL
EVENTS COORDINATOR**

SUMMARY:

The 2013 City of Louisville Comprehensive Master Plan includes a call for an Arts and Culture Master Plan, including a Public Art Program. Staff will present a general overview of the scope of a Public Art Program to City Council. Included will be typical municipal funding mechanisms and best practices and will show some examples of public art in other municipalities. This initial discussion will give the City Council some ideas on how we could proceed with future cultural community programming and public artwork acquisitions, whether through direct purchases or third-party donations.

Depending on the discussion at the study session, the next step could be developing a more specific program outline tailored to Louisville, and drafts of ordinances that could be used to formalize a public art program in the City.

FISCAL IMPACT:

The fiscal impact of a public art program is generally 1% of the construction costs for City capital projects valued at \$50,000 or more. A public art ordinance would include a funding mechanism for City capital projects. If City capital construction is restricted due to available funding, public art monies are similarly restricted as projects are tied to capital construction. A proposed ordinance would likely include an exemption for capital projects related to the September 2013 floods or similar “acts of God” as well as potential exemptions for certain types of capital projects, such as water and sewerline replacements.

RECOMMENDATION:

Discussion of a public art program as it relates to Page 49 of the Comprehensive Master Plan.

ATTACHMENT(S):

1. Public Art Programs and Best Practices presentation
2. Comprehensive Plan Policy CS-6

Public Art Programs and Best Practices



CITY COUNCIL STUDY SESSION
JUNE 10, 2014
SUZANNE JANSSEN

City of Louisville Master Plan



City of Louisville Comprehensive Plan 2013 Page 49

The Framework

private and not-for-profit agencies to develop regional approaches to solid waste reduction and management.

Policy CS-4.2: The City should continue its efforts to reduce waste generation from its municipal operations and explore methods for additional reduction. The City should consider the purchase of supplies with recycled content when feasible.

Policy CS-4.3: In its own operations, the City should consider the environmental and economic costs, risks, benefits and impact from a life-cycle perspective when making, planning, contracting, purchasing and operating decisions.

Policy CS-4.4: The City should continue to promote public education related to the value, methods and techniques of recycling, resource recovery and waste reduction.

Policy CS-4.5: The City should promote diversion from the landfill of construction and demolition refuse.

Civic Events

PRINCIPLE CS-5: The City should promote citywide community and civic events.

Policy CS-5.1: The City should encourage events such as live music, art installations, and community gatherings. These events are in the interest of the welfare of our community.

Policy CS-5.2: The City should encourage activities in other areas such as the Center and Highway 101. Activities in these areas should be coordinated with the rest of the community.

Arts and Culture

PRINCIPLE CS-6: The City promotes the public and private advancement of the arts and culture to strengthen the quality of life and small town character of Louisville by encouraging the development of a City-wide Arts and Cultural Master Plan aimed at integrating the arts, culture and humanities with urban design, economic

development, education and other community development initiatives.

Policy CS-6.1: The Community-wide Arts and Culture Master Plan should include the following components:

- Economic Vitality and the Arts - Preserve and share the Louisville's unique setting, character, history, arts and culture by identifying partnerships, resources and attractions that respect the needs and desires of Louisville residents.
- Facility Evaluation and Development - Respond to the growing desire for cultural facilities by identifying short and long-term facility needs and priorities, and recommending public and private methods to meet those needs.
- Public Art and Community Design - Create a stimulating visual environment through the public and private artworks programs, and create a greater understanding and appreciation of art and artists through community dialogue, education and involvement.
- History and Heritage - Work with the Louisville Historical Commission to develop a greater understanding of our heritage and assess the City's

- City Board and Commission Support - Advance the community's understanding of local zoology and botany with the Horticulture and Forestry Advisory Board.
- Financial Resources - Encourage the fiscal soundness of Louisville Cultural Council by evaluating and recommending improvements to its capacity to maintain effective public, private and earned income funding.

Policy CS-6.2: The appropriate City Departments and the Louisville Cultural Council (LCC), as the principal advisory board to the Louisville City Council related to the arts, shall serve as the primary voice for the development of the Arts and Culture Master Plan.

Policy CS-6.3: The appropriate City Departments and the LCC shall provide an inclusive public forum for discussion of issues and ideas affecting the development of a City-wide Arts and Culture Master Plan.

ECONOMIC DEVELOPMENT (ED) AND FISCAL HEALTH (FH)

Economic Development

commercial, retail, and employment centers in the City that will have a positive economic ripple effect throughout the entire City. In this way, the City of Louisville, as a public partner, can effectively leverage public investment efforts to overcome barriers and achieve desired outcomes. The economic future of the City will depend on how effectively these leveraged efforts are implemented.

It is also important to note the key role residential development plays in attracting new businesses and retaining existing businesses in the community. A diverse housing base is a prominent criterion businesses use to evaluate a community. The ability of a wide range of employees to live and work in close proximity increases business efficiency, provides a higher quality of life for employees, and discourages companies to relocate their business outside of the community. This relationship between residential diversity, availability and business growth should continue to be fostered in future economic development efforts.

PRINCIPLE ED-1. The City should retain and expand existing businesses and create an environment where new businesses can grow.

maintain a business to new and existing and efficiently and effectively.

employment which will bring into the community.

Public Art and Community Design – Create a stimulating visual environment through the public and private artwork programs, and create a greater understanding and appreciation of art and artists through community dialogue, education and environment.

- Marketing and Communications - Identify marketing and communication systems to promote the arts and culture through public dialogue, media and education.
- Art and Culture Education - Demonstrate commitment to quality arts and culture education and lifelong learning by advocating for inclusion of the arts and culture in our schools and in community settings.

and financial strategies for the removal of these barriers will be critical to the ultimate implementation of the Comprehensive Plan.

Encouraging strategic investment in an environment that contains an appropriate mix of land uses and creates a unique sense of place is the central approach for targeting investment in key areas within the City. This premise assumes concentrating resources in the key

Policy ED-1.3: The City should focus on primary job creation that provides job diversity, employment opportunities and increased revenue for Louisville.

Policy ED-1.4: The City should focus on efforts that will encourage existing businesses to expand and develop in Louisville.

Policy ED-1.5: The City should review requests for business

History of Public Art in U.S.



Philadelphia adopted the first municipal “percent-for-art” fund in 1959.

Today, more than 350 Public Art Programs in the United States

81% of these programs are administered by a public entity

Hudson Bay Wolves Quarreling Over the Carcass of a Deer
by Edward Kemeys, 1872

History of Public Art in Colorado



- The State of Colorado adopted a One Percent for the Arts Program in 1975, “to create enjoyment and pride for our citizens.”
- In 1984, Loveland City staff, Chamber of Commerce, 5 artists and art patrons decided to host an outdoor sculpture show. It is now the largest outdoor sculpture show in North America.
- In 1985, Loveland was the first municipality to adopt a One Percent for the Arts program.

Colorado presently has 43 Public Art Programs along the Front Range and in the mountain communities.

And, a VERY active Public Art Administrators network to share Best Practices!



Departure by George Lundeen

Front Range Public Art Programs



**Aurora
Boulder**



**Lakewood
Lafayette**



Denver International Airport

What is Public Art?



- Interior or exterior works of art placed within the public right of way
- Public Buildings, Parks, Trails, Roadways
- Memorials and Historical Monuments
- Contemporary installations
- Performance events, even “Ephemeral” events



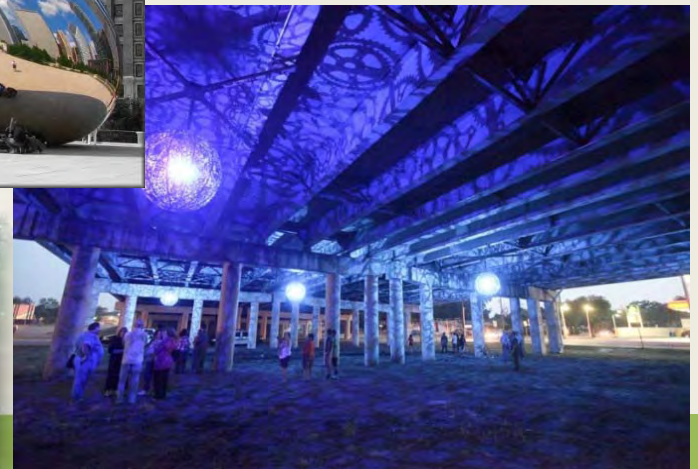
Public art takes into consideration a broad spectrum of activities and approaches.

Public artwork can be an excellent educational tool.

 A large group of children and two adults are posing for a photo in front of a large mural. The children, of various ages, are holding up colorful paper crafts they have made, including cutouts of flowers, animals, and abstract shapes. Two adults, a man on the left and a woman on the right, are also holding up their crafts. The mural in the background features a dark background with white text labels like 'COMMUNITY', 'SCHOOLS', 'OUR TOWN', 'LOVELAND', 'SUNSHINE', 'COMPUTER BOARD', 'THEATRES', 'CURRIES', 'GOVERNMENT', 'HOUSE', 'SCULPTURE', 'DEATH'S BACKGROUN', 'HELPING HAND', 'MUSIC', 'SPORTS', 'LITERATURE', 'BIG THOMPSON RIVER', and 'STREET'. The scene is brightly lit, and the children appear to be smiling and proud of their work.

What is Public Art?

Public artwork is ever evolving field as technology changes and allow new possibilities for creative expression.



How are projects funded?



1-2% of all City Capital Projects with construction costs valued at \$50,000+ is reserved for the Art in Public Places Program. Some cities use a percentage based upon the value of the construction budget.

Private development requirement for a predetermined % of the construction budget to be applied to on-site artwork or % payment into the municipal art fund for the City to execute public art project for the site.

Private Donations from artists, arts organizations, arts districts

Corporate Donations

Limited Grant Opportunities



Community Benefit

- Creates a sense of place
- Public art is an amenity accessible to all
- Distinguishes a municipality from neighboring communities
- Economic Impact!
- Encourages employee creative problem solving
- Stimulates additional donations!
- Allows individual's personal reflection



I See What You Mean by Lawrence Argent, 2005

Community Benefit

- A means to encourage community dialogue
- Providing a creative means for a community to express itself
- Provide cultural identity
- Offers the general public an art encounter/ experience beyond the “white walls” of a museum or gallery.
- Artwork has a positive impact on morale.



The Story Teller by Charles

LOVE by Robert
Indiana, Philadelphia

MEANWHILE, IN METRO DENVER...

**A DECADE
OF GROWTH!**

**ARTS, CULTURE
& THE ECONOMY**

NEW & IMPROVED!

- 1,500 JOBS CREATED, PAYROLL NEARLY DOUBLES
- VOLUNTEERS TOP 50,000 ANNUALLY
- SCFD DELIVERS OVER \$420 MILLION

READ THE STUDY!

cbca
COLORADO BUSINESS COMMITTEE FOR THE ARTS

ECONOMIC ACTIVITY

So how do we reach a number like \$1.76 billion in Total Economic Activity for 2011? Think of it as a simple, but massive, addition equation:

DIRECT ECONOMIC ACTIVITY
+ **INDIRECT SPENDING**
= **TOTAL ECONOMIC ACTIVITY**

Confused? We can explain. Direct Economic Activity includes three elements:

1. OPERATING EXPENDITURES:

The expenditures of the more-than-300 groups included in the CBCA study can include costumes for a play, food for Denver Zoo animals, salaries for performers.

2. AUDIENCE SPENDING:

Programs, snacks between acts, a souvenir T-shirt, hotel stays, putting gas in the car to reach an event, dining out before a show.

3. CAPITAL EXPENDITURES:

Think new arts centers (June Tree and Parker both opened one) and museums (The Clifford Hall Museum leaps to mind).

Indirect Spending is derived by applying RIMS Multipliers* to all three categories of Direct Economic Activity. By doing so, we are able to gauge the effect of an industry on the entire economy in the metro area. Indirect Spending represents a second round of spending: for example, an actor using his or her salary to pay the rent or purchase groceries.

* Regional Input-Output Modeling System (RIMS) benchmark sector multipliers are provided by the U.S. Bureau of Economic Analysis, with additional input from the Colorado Division of Local Government, 2008.

Now let's add the combined numbers for Direct Economic Activity and Indirect Spending:

OPERATING EXPENDITURES:
\$748 MILLION



+

AUDIENCE SPENDING:
\$901 MILLION



+

CAPITAL EXPENDITURES:
\$115 MILLION



= TOTAL ECONOMIC ACTIVITY:
\$1.76 BILLION

JANUARY: GEORGE CHILKOTI FAMILY PLEDGES
\$7 MILLION FOR RENOVATION OF NEWTON AUDITORIUM

AUGUST: CITY OF DENVER SELECTED BY CLIFFORD
HILL'S WIFE, PATRICIA, TO RECEIVE HIS COLLECTION

OCTOBER: BUTTERFLY THEATRE OPENS "KARMA ON ICE"
ON A SYNTHETIC ICE RINK TO CRITICAL ACCLAIM

2009

JUNE: DENVER ZOO OPENS PREDATOR RIDGE, AN 8-ACRE EXHIBIT
MODELED AFTER THE SAMPURU NATIONAL RESERVE IN KENYA

FALL: BUTTERFLY PARKING MUSEUM
ADDS 4 CLASSROOMS, EXHIBIT SPACE

NOVEMBER: VINTAGE RENEW SCIENTIFIC AND CULTURAL FACILITIES
DISTRICT ON ITS 25TH ANNIVERSARY

How Would a Public Art Percent Program Affect Louisville's Budget?



1% of City capital projects valued at \$50,000 or more
\$1,000 per \$100,000 spent or \$10, 000 per \$1 million

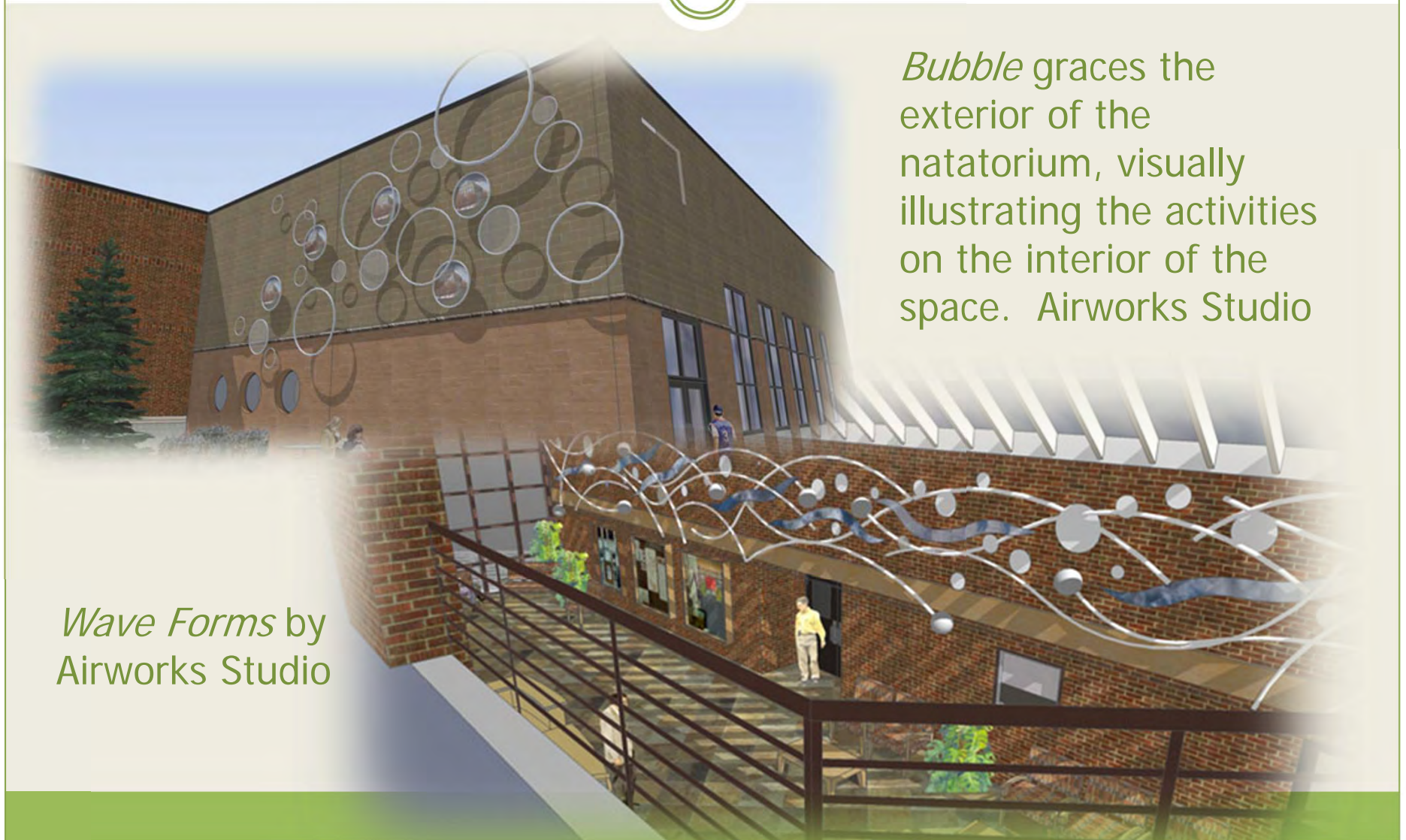


Hatfield Chilson Recreation Center, Loveland



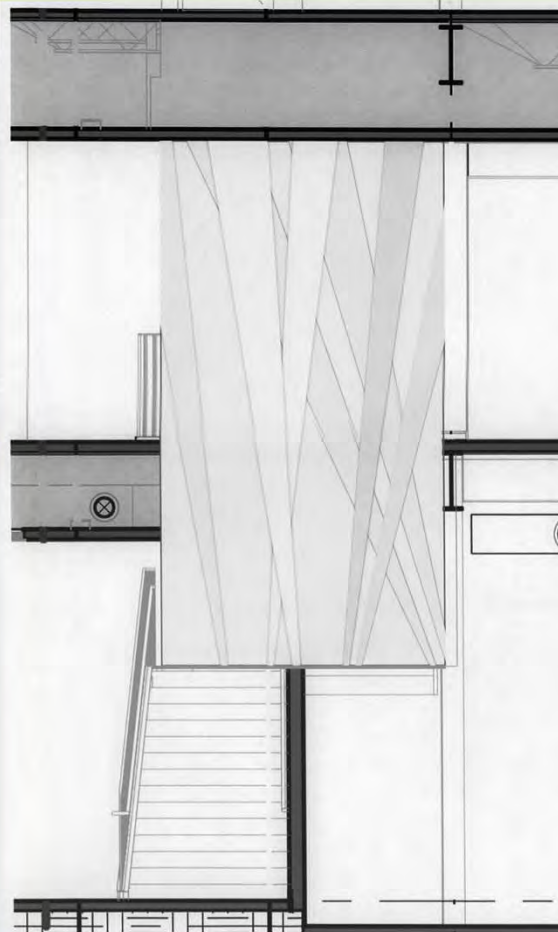
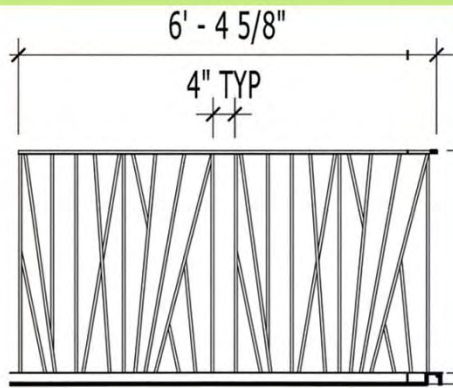
Bubble graces the exterior of the natatorium, visually illustrating the activities on the interior of the space. Airworks Studio

Wave Forms by Airworks Studio



Rialto Theater Center, Loveland, 2011

Artist David Griggs



ON STAGE

An architecturally integrated installation for an historic downtown theater
Loveland, Colorado

The artwork for the new Rialto Theater Center was inspired by the luminous history of the original Rialto. This 93-year old theater is a legacy performance venue for Northern Colorado, and its stage has witnessed the vast variety of performing arts events that have entertained Loveland. The art designs are "architecturally integrated", that is, they are built into functional architectural elements of the building. The Artwork for the Rialto is integrated into 6 of the building's features, including the terrazzo floor, interior stair walls, metal railings, wall-divider art glass, and 2 luminous LED chandeliers.

These functional art elements are intended to embody the theatricality of the events that take place on and off the Rialto's stage. The artwork is interactive, in that it encourages its audience to participate in the drama of this new public place. People can stride across the new terrazzo floor, stepping in and out of the stage-like spots of light. Standing under one of the spotlight chandeliers, or within the colored rays of the theatrical lighting, a person can participate in the drama of being in a public place. If "All the world's a stage..." then this architecturally integrated art offers a variety of opportunities to act out a public persona.

"All the world's a stage..."

The art embodies the drama of public life, highlighting our social nature and spotlighting our public performances.





Open Air by Rafael Lozano Hemmer for the Association for Public Art 2010

Staff Recommendation



Adoption of Public Art Ordinance to establish...

- a dedicated method to fund the acquisition, display and maintenance of artwork within the City's collection
- a framework for which the public art committee develops policy and procedures

Creation or designation of governing board/ commission...

- a board/commission responsible for the decision making for use of the public artwork funds



Questions, Comments and Next Steps

The Framework

private and not-for-profit agencies to develop regional approaches to solid waste reduction and management.

Policy CS-4.2: The City should continue its efforts to reduce waste generation from its municipal operations and explore methods for additional reduction. The City should consider the purchase of supplies with recycled content when feasible.

Policy CS-4.3: In its own operations, the City should consider the environmental and economic costs, risks, benefits and impact from a life-cycle perspective when making, planning, contracting, purchasing and operating decisions.

Policy CS-4.4: The City should continue to promote public education related to the value, methods and techniques of recycling, resource recovery and waste reduction.

Policy CS-4.5: The City should promote diversion from the landfill of construction and demolition refuse.

Civic Events

PRINCIPLE CS-5: The City should promote citywide community and civic events

Policy CS-5.1: The City should continue to support events such as live music, fairs, parades, ice skating, etc. These events are important to the economic and social welfare of our community.

Policy CS-5.2: The City should promote community activities in other areas of the city, such as McCaslin Urban Center and Highway 42/South Boulder Road Urban Center. Activities in these areas cohesively connects them with the rest of the community.

Arts and Culture

PRINCIPLE CS-6: The City promotes the public and private advancement of the arts and culture to strengthen the quality of life and small town character of Louisville by encouraging the development of a City-wide Arts and Cultural Master Plan aimed at integrating the arts, culture and humanities with urban design, economic

development, education and other community development initiatives.

Policy CS-6.1: The Community-wide Arts and Culture Master Plan should include the following components:

- Economic Vitality and the Arts - Preserve and share the Louisville’s unique setting, character, history, arts and culture by identifying partnerships, resources and attractions that respect the needs and desires of Louisville residents.
- Facility Evaluation and Development - Respond to the growing desire for cultural facilities by identifying short and long-term facility needs and priorities, and recommending public and private methods to meet those needs.
- Public Art and Community Design - Create a stimulating visual environment through the public and private artworks programs, and create a greater understanding and appreciation of art and artists through community dialogue, education and involvement.
- History and Heritage - Work with the Louisville Historical Commission to develop a greater understanding of our heritage and assess the City’s facilities in which that history is preserved, interpreted, and shared.
- Humanities - Foster the spirit of community in which the richness of human experience is explored and nurtured through ongoing analysis and exchange of ideas about the relation to self, others and the natural world.
- Local Artists - Encourage local support for a creative and economic environment that allows artists to continue to live and work in and for the community, and for themselves.
- Marketing and Communications - Identify marketing and communication systems to promote the arts and culture through public dialogue, media and education.
- Art and Culture Education - Demonstrate commitment to quality arts and culture education and lifelong learning by advocating for inclusion of the arts and culture in our schools and in community settings.

- City Board and Commission Support - Advance the community’s understanding of local zoology and botany with the Horticulture and Forestry Advisory Board.
- Financial Resources - Encourage the fiscal soundness of Louisville Cultural Council by evaluating and recommending improvements to its capacity to maintain effective public, private and earned income funding.

Policy CS-6.2: The appropriate City Departments and the Louisville Cultural Council (LCC), as the principal advisory board to the Louisville City Council related to the arts, shall serve as the primary voice for the development of the Arts and Culture Master Plan.

Policy CS-6.3: The appropriate City Departments and the LCC shall provide an inclusive public forum for discussion of issues and ideas affecting the development of a City-wide Arts and Culture Master Plan.

ECONOMIC DEVELOPMENT (ED) AND FISCAL HEALTH (FH)

Economic Development

Given Louisville’s central location along the US 36 Corridor, between Broomfield and Boulder, the community is strategically located to capture its share of the region’s business growth. The level of investment that actually occurs within the community will correlate to the City’s commitment to its Vision and Core Community Values as expressed in this Comprehensive Plan Update, supportive policies, creative financial solutions and removal of barriers. Barriers to the development of the concepts presented within this document fall within five principal categories – organizational, physical, market, regulatory and financial. Strategies for the removal of these barriers will be critical to the ultimate implementation of the Comprehensive Plan.

Encouraging strategic investment in an environment that contains an appropriate mix of land uses and creates a unique sense of place is the central approach for targeting investment in key areas within the City. This premise assumes concentrating resources in the key

commercial, retail, and employment centers in the City that will have a positive economic ripple effect throughout the entire City. In this way, the City of Louisville, as a public partner, can effectively leverage public investment efforts to overcome barriers and achieve desired outcomes. The economic future of the City will depend on how effectively these leveraged efforts are implemented.

It is also important to note the key role residential development plays in attracting new businesses and retaining existing businesses in the community. A diverse housing base is a prominent criterion businesses use to evaluate a community. The ability of a wide range of employees to live and work in close proximity increases business efficiency, provides a higher quality of life for employees, and discourages companies to relocate their business outside of the community. This relationship between residential diversity, availability and business growth should continue to be fostered in future economic development efforts.

PRINCIPLE ED-1. The City should retain and expand existing businesses and create an environment where new businesses can grow.

Policy ED-1.1: The City should work to maintain a business friendly environment, where services to new and existing businesses are delivered in a timely and efficient manner.

Policy ED-1.2: The City should encourage employment centers to provide goods and services which will bring revenue from outside of the community into the community.

Policy ED-1.3: The City should focus on primary job creation that provides job diversity, employment opportunities and increased revenue for Louisville.

Policy ED-1.4: The City should focus on efforts that will encourage existing businesses to expand and develop in Louisville.

Policy ED-1.5: The City should review requests for busi-



SUBJECT: DISCUSSION - MARGINAL COST FISCAL MODEL

DATE: JUNE 10, 2014

**PRESENTED BY: TROY P. RUSS, AICP AND SCOTT ROBINSON, AICP -
PLANNING AND BUILDING SAFETY DEPARTMENT**

SUMMARY:

Staff issued a request for proposals (RFP) for the creation of a new marginal cost fiscal impact model to replace the City's current average cost fiscal model. The fiscal model is used by City staff and potential developers to estimate the fiscal impacts of proposed development. Staff intends to use the updated fiscal model to evaluate development scenarios in the upcoming small area plan process to ensure the plans meet the fiscal goals established by the City. The fiscal model takes proposed development by land use type (retail, office, residential, etc.) and other inputs and computes projected tax and other revenues and projected operational and capital costs.

The RFP was discussed by the Finance Committee at their April 21, 2014 meeting. The Committee members requested additional information on the benefits of developing a new marginal cost fiscal model. A new marginal cost model would more accurately reflect the costs and revenues associated with the type of development Louisville may experience in the future, provide an opportunity to update projected costs and revenues based on current conditions, and be able to model a wider range of factors.

The City's current average cost fiscal model assumes every additional square foot of development or additional residential unit has the same impact to the City. A marginal cost model would look at the City's services and facilities capacity and determine threshold levels. If the City can maintain service levels without adding staff, facilities or costs, the projected net cost of a new development may be low. If the proposed development would push the City over a level of service threshold, and require new staff, facilities or costs, the projected cost could be quite high. The capacities and thresholds would be determined through a study of the City's operations and interviews with staff in individual departments.

Marginal cost models are generally more accurate, especially for infill development. Louisville has few opportunities for new greenfield development – the Phillips 66 and vacant property in CTC and Centennial Valley notwithstanding – and future development proposals may be for infill redevelopment. A marginal cost model is better able to account for cost implications associated with infill development that may or may not require certain additional infrastructure or services, such as streets or snow plowing.

In an attempt to address the possible fiscal impact differences between new development and redevelopment, during the Comprehensive Plan update consultants

and staff made some fiscal impact projections based on the existing fiscal impact model. However, without a full study, the accuracy of those projections is uncertain. The study required to create a new model will also provide the data needed to verify the costs and revenues associated with development are up to date and reflect current City operations and market conditions.

Creating a new fiscal model will also clearly identify service levels and allow City Council to evaluate the potential fiscal impact of setting new level of service goals. For instance, if City Council would like to improve the level of service by offering more park space or better police coverage per person, the increased expenditures associated with that action could be projected using the model.

In addition, the new model would be able to be more easily be updated to reflect other potential future changes, such as tax structure or fee changes. Alternative financing methods, such as metropolitan districts or tax increment financing, could also be modeled for potential developments. A new model would also be able to include discrete capital expenditures associated with a development, such as a new underpass. Finally, it could also include cumulative calculations showing the impact of all development approved within a given time frame.

While the current average cost fiscal model has served the City well, the additional capability and accuracy of a new marginal cost model would be helpful as we work on the small area plans and evaluate the type of development the City is likely to see in the future.

SCHEDULE:

If Council wishes to move forward with the new marginal cost fiscal model, staff anticipates bringing a contract for Council's approval to the June 17 regular meeting. If the contract is approved, creation of the model should take about four months.

FISCAL IMPACT:

The 2014 Budget includes \$50,000 for a new marginal cost fiscal model. Both of the proposals received in response to the RFP came in under budget.

RECOMMENDATION:

This topic is for discussion only. Staff wants to understand what questions or concerns City Council may have about developing a marginal cost fiscal impact model.

ATTACHMENT(S):

1. Development Planning & Financing Group, Inc. Proposal
2. TischlerBise Proposal

Scott Robinson
City of Louisville
749 Main Street
Louisville CO 80027

May 2, 2014

Subject: DPFG Proposal – Marginal Cost Fiscal Model

Dear Scott:

Development Planning & Financing Group, Inc. (“DPFG”) appreciates the opportunity to lead in assisting the City of Louisville with this project.

The DPFG Team has been handcrafted for this project and includes talented professionals. The DPFG Team brings extensive experience analyzing the impacts of development on City services and facilities from a planning perspective, implementation and ongoing management.

We look forward to the opportunity to assist in developing a community that the City of Louisville and its citizens can be excited about.

Please do not hesitate to contact me with any questions or comments regarding details of this proposal, its scope and budget, or our team’s experience at (303) 534-5709 or Joe.Knopinski@dpfg.com.

Sincerely,

P. Joseph Knopinski
Managing Principal



REQUEST FOR PROPOSAL
FOR
MARGINAL COST FISCAL MODEL

May 2, 2014

Prepared For:

City of Louisville

Prepared By:



Table of Contents

	<u>Page</u>
1 <u>Development Planning & Financing Group Information</u>	1-1
1.1 Contractor Name and Information	1-1
1.2 DPFG Introduction.....	1-1
2 <u>DPFG Qualifications and Approach</u>	2-1
2.1 DPFG Fiscal Impact Analysis Overview	2-1
2.2 Qualifications of DPFG.....	2-1
2.3 P. Joseph Knopinski, Managing Principal	2-2
2.4 R. Chris Lightburne, Managing Principal	2-3
2.5 DPFG Approach to Completing Required Tasks.....	2-4
2.6 Fees.....	2-5
3 <u>References and Sample Work Product</u>	3-1
3.1 References	3-1
3.2 Sample Work Product	3-1
3.3 List Of Agencies.....	3-2
4 <u>Pre-Contract Certification and Disclosure Statement</u>	4-1
4.1 Pre-Contract Certification in Compliance with C.R.S. Section 8- 17.5-102(1).....	4-1
4.2 Disclosure Statement.....	4-1

List of Exhibits

Exhibit A: Pre-Contract Certification in Compliance with C.R.S. Section 8-17.5-102(1)

Exhibit B: Disclosure Statement

Exhibit C: Oakbrook Villages Fiscal Impact Analysis

Exhibit D: Vantis Fiscal Impact Analysis

1 Development Planning & Financing Group Information

Required Submittal 1: The name, address, and email address of contractor. If an entity, provide the legal name of the entity and the names of the entity's principal(s) who is proposed to provide the services.

1.1 Contractor Name and Information

Entity Name	Development Planning & Financing Group, Inc.
Principals Providing Services	P. Joseph Knopinski R. Chris Lightburne
Address	1615 California Street, Suite 411 Denver, CO 80202
Local Telephone Number	(303) 534-5709
Email Address	Joe.Knopinski@dpfg.com Chris.Lightburne@dpfg.com

1.2 DPFG Introduction

Development Planning & Financing Group ("DPFG") is a national firm specializing in public financing strategies for the construction and maintenance of public realm improvements. Since 1991, DPFG consultants have consistently provided ideas and analysis that:

- Produce efficient and cost-effective financing solutions;
- Strike a fair balance between the ultimate consumer, local and state agency policies, and the land developer/builder; and
- Maintain the highest degree of professional ethics and integrity to the work at hand.

Consulting Milestones:

- Completed over 250 Fiscal Impact Analysis ("FIA") Reviews and Reports.
- Completed over 100 Redevelopment projects including Tax Increment Financing ("TIF").
- Completed over 50 Public Facilities Financing Reports.
- Completed over 100 Development Impact Fee Reviews and Reports.
- Completed over 600 Project Cash Flows, Valuation and Feasibility Analysis.
- Completed over 2,100 Land Secured Public Financings with over \$11 billion in bonds sold.
- Restructured over 100 Land Secured Public Financing Districts.
- Capital Markets Group has completed transactions of over \$1 billion in capital project sourcing, for new and existing projects.

2 DPFG Qualifications and Approach

Required Submittal 2: Review of qualifications and briefly explain how we plan to complete the required tasks.

2.1 DPFG Fiscal Impact Analysis Overview

DPFG has prepared over 250 FIA reports and models for its clients. This includes the following:

- Alternative financing sources, including TIF, metro districts, and other special financing districts;
- Use of marginal costs, average cost, and case study methods;
- Scenario comparisons and summaries to reflect alternative land plans
- Identifying and analyzing the impact of alternative scenarios;
- Infill and greenfield projects; and
- Evaluation of levels of service and service standards

2.2 Qualifications of DPFG

The project will be led by:

- P. Joseph Knopinski who has extensive experience in the budgeting process and metro districts.
- R. Chris Lightburne who will be responsible for the preparation of the fiscal model.

2.3 **P. Joseph Knopinski, Managing Principal**

Education

*M.P.A.
(Public
Administration)*

*B.A.
(International
Affairs)
University of
Colorado, Boulder*

Mr. Knopinski combines experience in both the public and private sectors which allows him to effectively operate in both areas. His experience as a city manager, water district manager and manager of numerous metropolitan districts has inured the principles of exemplary customer service, stringent financial management, transparency in all dealings and consensus building in a public environment. As a developer, he embodied the same principles along with aggressive bottom line orientation, diligent project management and persuasive communication skills.

Professional and Non-Profit Affiliations

*High
Plains
Environmental
Center*

Nature Conservancy

*Urban Land Institute
(former member)*

*Home Builders
Association of
Metro Denver*

*Colorado
Association of
Home Builders*

His service on over 20 special district boards serves to protect property rights while enhancing the value of properties. Formerly Mr. Knopinski worked with McWhinney in Loveland, Colorado on their flagship Centerra project and other developments. In that position he was responsible for all aspects of residential development.

Prior to McWhinney he worked for the Alpert Companies and Castle Rock Development Company on development projects in Arapahoe County, the City of Aurora and Douglas County, Colorado.

Mr. Knopinski also managed the East Cherry Creek Valley Water and Sanitation District, the Town of Castle Rock and numerous special districts under contract.

During Mr. Knopinski's 38 year professional career, all in Colorado, he has formed strong relationships in governments, land development, businesses and private associations that he can draw on for the benefit of his clients.

Mr. Knopinski earned his bachelor's degree in International Affairs and his master's degree in Public Administration from the University of Colorado, Boulder.

2.4 R. Chris Lightburne, Managing Principal

Education

*BA in Economics,
University of
California at Los
Angeles*

*Certified Public
Accountant
(Inactive),
State of California*

Affiliations

*BIA-Riverside
Chapter
AICPA*

Speaking Engagements

*Presenter:
"Financing
Infrastructure
Maintenance and
Public Services,"
UCLA Extension
Seminar in Los
Angeles.*

*Presenter:
"Developer Fees",
Coalition for
Adequate School
Housing,
San Diego Ca*

*Presenter:
"Community
Facilities District
Financing",
Urban
Land Institute, Ca*

*Presenter:
"Welcome
to Current
Impact Fee
Issues", Webinar*

*Presenter: "Update
to
the Mello
Roos
Act,"
Building
Industry
Association*

Mr. Lightburne is responsible for the development and implementation of public finance and real estate development related strategies. This includes the financing of public and private infrastructure and services; analyzing fiscal impacts of new developments; preparing and implementing community facilities phasing and funding programs; tax increment financing; establishing rates, charges and development impact fees. Projects range from in-fill redevelopment to large master plans and new towns.

Recent, relevant urban redevelopment and public realm financing experience includes the Great Park in Irvine, Anaheim Platinum Triangle, and redevelopment of the Anaheim Stadium, Tustin Marine Corp Air Station, and Tour Plaza in downtown Avalon.

He leads a team and collaborates with stakeholders to design and implement financing solutions that are tailored to local issues using best practices he brings from his breadth of project experience, relationship with other professionals and research as a voracious reader.

Mr. Lightburne has over 26 years of experience in financial analysis, real estate economics, public finance, capital markets, information technology and accounting. He is an Expert at the use of complex financial modeling to arrive at solutions that make the complex simple and practical.

He began and grew his career in consulting while with Kenneth Leventhal & Company (now Ernst and Young) in Newport Beach, California. Client engagements included cash flow analysis, market analysis, financial feasibility, financing and financial restructuring for all property types from mixed-use development, retail, residential, industrial, office, hotel, government and institutional.

Mr. Lightburne's past experience also includes senior management positions for three start-up/high growth companies involved in manufacturing and media where he was responsible for finance, information technology, operations, real estate and facilities, sales and marketing, and strategic planning. He also serves as treasurer of his homeowners' association and volunteers his time coaching youth sports.

2.5 DPFG Approach to Completing Required Tasks

An overview of the scope of work and our approach is as follows:

<ul style="list-style-type: none">• Level of Service Identification• Meetings/Interviews with all (eight) City Departments• Capacity Assessment of City Infrastructure and Amenities	<ul style="list-style-type: none">• Review and analysis of City budgets• Review of relevant studies, documents and benchmarking against other agencies• Perform DPFG fact based approach through interviews/meetings with eight (8) City departments• Identify needs of each City department for implementation in the new Fiscal Impact Analysis model ("FIA Model")
<ul style="list-style-type: none">• Determination of Costs for Various Land Uses	<ul style="list-style-type: none">• DPFG interviews with City departments• Detailed review and analysis of City budgets, CIP, and other relevant studies• Determine key variables/cost factors/and methods for later sensitivity
<ul style="list-style-type: none">• Determination of Revenues for Various Land Uses	<ul style="list-style-type: none">• Review and analysis of City budgets, developer surveys, DPFG database and comparable analysis• Determine key variables/revenues for later sensitivity analysis
<ul style="list-style-type: none">• Three Meetings with the City Council Finance Committee/City Council	<ul style="list-style-type: none">• Attend and present at three (3) meetings with the City Council Finance Committee/City Council• Prepare and update project timelines to ensure project is progressing in a satisfactory manner
<ul style="list-style-type: none">• Facilitation of a Public Workshop	<ul style="list-style-type: none">• Facilitate public workshops• Address needs and concerns of stakeholders to develop a fair and reasonable approach to the FIA Model and assumptions
<ul style="list-style-type: none">• Creation of Marginal Cost Fiscal Model	<ul style="list-style-type: none">• Prepare FIA Model based on inputs received above and DPFG experience• Provide staff with initial beta model for comment and iterate model to address initial needs and concerns• Incorporate sensitivity analysis and ability to view results of multiple scenarios involving varying levels of services and key assumptions
<ul style="list-style-type: none">• Staff Training on the Use/Maintenance/Updating of the Fiscal Model	<ul style="list-style-type: none">• Prepare written instructions for operating, maintaining, and updating the model• Initial on-site training and ongoing skype/webinar support• Help desk support for monitoring questions and issues

2.6 Fees

Our fees for this project are estimated to be \$45,000 for the scope of work.

-- REMAINDER OF PAGE BLANK --

3 References and Sample Work Product

Required Submittal 3: References for work and examples of fiscal models produced.

3.1 References

Nancy Freed, Deputy City Manager at City of Aurora
nfreed@auroragov.org
(303) 739-7010

Jean Townsend, Owner and Principal at Coley/Forrest
jtownsend@coleyforrest.com
(303) 778-1020

Bob Slentz, Town Attorney at Town of Castle Rock
Bslentz@CRgov.com

3.2 Sample Work Product

Sample work produced for two infill projects are as follows:

Oakbrook Village - City of Laguna Hills	
FIA Assignment	Phased redevelopment of existing retail project into new mixed use project
Contact	Donald White, Assistant City Manager (949) 707-2620 John Loper (949) 933-5473
Attachment	Exhibit A
Vantis – City of Aliso Viejo	
FIA Assignment	Model fiscal impacts of alternative land uses and the existing land use
Contact	Elizabeth Cobb, Vice President of Commercial Development Shea Properties (949) 389-7286
Attachment	Exhibit B

3.3 List Of Agencies

The DPFPG Project Team has prepared budget analysis, fiscal impact reports, impact fee analysis and tax increment financings for the following agencies:

COLORADO	
<ul style="list-style-type: none">•Arapahoe County•Aurora•Beebe Draw Farms Authority - City of Platteville•Centerra Development•Crystal Valley Ranch Metropolitan District - Town of Castle Rock•Douglas County•Harmony Technological Park in Metropolitan District - City of Fort Collins•Meadows - Town of Castle Rock•Sky Ranch Metropolitan District - City of Arapahoe•Skyland Metropolitan District - County of Jefferson•South Shore Metropolitan District - City of Aurora•South Weld Metropolitan District - City of Dacono•Town of Castle Rock•Town of Parker	
CALIFORNIA	
<ul style="list-style-type: none">•Alhambra•Anaheim•Bakersfield•Castaic Lake Water Agency•Chino•Coachella•Corona•Eastern Municipal Water District•Eastvale•Fontana•Hemet•Highland•Huntington Beach•Irvine	<ul style="list-style-type: none">•Kern County•Laguna Hills•Los Angeles County•Madera County•Moreno Valley•Newport Beach•Ontario•Rancho Cucamonga•Rialto•Riverside County•San Bernardino•San Jacinto•Ventura

4 Pre-Contract Certification and Disclosure Statement

Required Submittal 4: Provide the completed pre-contract certification.

To our knowledge no conflict of interest exists between DPFG and the City of Louisville.

4.1 Pre-Contract Certification in Compliance with C.R.S. Section 8-17.5-102(1)

See Exhibit A.

4.2 Disclosure Statement

See Exhibit B.

Exhibit A

Pre-Contract Certification in Compliance with C.R.S. Section 8-17.5-102(1)

The undersigned hereby certifies as follows:

That at the time of providing this certification, the undersigned does not knowingly employ or contract with an illegal alien; and that the undersigned will participate in the E-Verify program or the Department program, as defined in C.R.S. § 8-17.5-101(3.3) and 8-17.5-101(3.7), respectively, in order to confirm the employment eligibility of all employees who are newly hired for employment to perform under the public contract for services.

Proposer:

DEVELOPMENT PLANNING & FINANCIAL GROUP, INC.

By

Title:

John Foreman
PRESIDENT

Date

5/2/14

Exhibit B

DISCLOSURE STATEMENT

Vendor must disclose any possible conflict of interest with the City of Louisville including, but not limited to, any relationship with any City of Louisville elected official or employee. Your response must disclose if a known relationship exists between any principal of your firm and any City of Louisville elected official or employee. If, to your knowledge, no relationship exists, this should also be stated in your response. Failure to disclose such a relationship may result in cancellation of a contract as a result of your response. This form must be completed and returned in order for your proposal to be eligible for consideration.

NO KNOWN RELATIONSHIPS EXIST YES

RELATIONSHIP EXISTS (Please explain relationship)

NOT APPLICABLE

I CERTIFY THAT:

1. I, as an officer of this organization, or per the attached letter of authorization, am duly authorized to certify the information provided herein are accurate and true as of the date; and
2. My organization shall comply with all State and Federal Equal Opportunity and Non-Discrimination requirements and conditions of employment.
- 3.

3. JOHN FOREMAN PRESIDENT
Printed or Typed Name Title

John Foreman
Signature

Exhibit C

FISCAL IMPACT ANALYSIS
FOR
OAKBROOK VILLAGE

Prepared By:



Table of Contents

	<u>Page</u>
1. Purpose of Fiscal Impact Analysis	2
2. Project Description	2
3. Limiting Conditions.....	3
4. General Sources of Information and Methodologies Used in FIA.....	3
5. FIA Summary and Conclusions.....	5
6. Recurring Revenues.....	8
6.1 Property Tax.....	8
6.2 Property Transfer Tax.....	9
6.3 Property Tax In-Lieu of Vehicle License Fees (“VLF”).....	9
6.4 Sales and Use Tax.....	9
6.4.1 Property Tax In-Lieu of Sales Tax.....	10
6.4.2 Off-Site Sales and Use Tax.....	10
6.4.3 On-Site Sales and Use Tax.....	10
6.5 Franchise Taxes.....	11
6.6 Intergovernmental Revenues	11
6.7 Licenses and Permits.....	11
6.8 Charges for Services	11
6.9 Fines & Forfeitures	12
7. Recurring Costs.....	12
7.1 Council/Manager.....	12
7.2 City Clerk.....	13
7.3 Administrative Services	13
7.4 Information Technology	13
7.5 Community Development.....	14
7.6 Public Services.....	14
7.7 Community Services.....	14
7.8 Public Safety	15
8. Glossary of Defined Terms and Acronyms	15

1. Purpose of Fiscal Impact Analysis

Development Planning & Financing Group (“DPFG”) has prepared this Fiscal Impact Analysis (“FIA”) to determine the estimated fiscal impacts on the City of Laguna Hills (“City”) in connection with the proposed development of the Oakbrook Village project (“Project”). The reader should be aware that the FIA contains estimates or projections of the Project’s future revenue and cost impact on the City, and actual fiscal results may vary from estimates because events and circumstances can occur in a manner different than described in the FIA.

This FIA contains a description of the Project, calculation methodologies, conclusions, and revenues and expenses projected for the Project. The detailed calculations, attached in Exhibits 1 through 3, are organized as follows:

Table	Description
1	Fiscal Impact Analysis Summary
2	Land Use Plan and Assessed Value Calculations
3	Population, Employment & Household Income Calculations
4	Post-ERAF Share of the Basic Tax Calculation
5	Property Tax Calculations
6	Sales and Use Tax Calculations
7	General Fund Revenue Calculations
8	General Fund Cost Calculations

2. Project Description

Fritz Duda Company (“Developer”) is considering a redevelopment of an existing 200,000 square foot retail center. The proposed redevelopment contemplates the replacement of existing outdated retail with newer retail and multi-family residential land uses in two phases as shown below:

	Existing	Phase 1	Phase 1 & 2
Land Use Assumptions			
Building Sq. Ft.	189,306	108,226	75,426
New Retail Sq. Ft.	-	23,974	49,574
Multi-Family Residential Units	-	289	489

3. Limiting Conditions

The FIA is subject to the following limiting conditions:

- The FIA contains an analysis of recurring revenues and costs to the City from development of the Project. The FIA is based on estimates, assumptions and other information developed from DPFPG's research, interviews, correspondences with City staff, and information from DPFPG's database which was collected through fiscal impact analyses previously prepared by DPFPG and others.
- The sources of information and basis of the estimates are stated herein. While we believe the sources of information are reliable, DPFPG does not express an opinion or any other form of assurance on the accuracy of such information.
- The analysis of recurring revenues and cost impacts to the City contained in the FIA is not considered to be a "financial forecast" or a "financial projection" as technically defined by the American Institute of Certified Public Accountants. The word "projection" used within this report relates to broad expectations of future events or market conditions.
- Since the analyses contained herein are based on estimates and assumptions which are inherently subject to uncertainty and variation depending on evolving events, DPFPG cannot represent that results will definitely be achieved. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results achieved may vary from the projections.

4. General Sources of Information and Methodologies Used in FIA

The FIA was prepared to estimate the allocable revenue and cost impacts to the City's general fund ("General Fund"). The FIA uses a combination of case study methods and multiplier methods to estimate Project impacts.

When projecting fiscal impacts using a multiplier method, the FIA determines per capita/employee impacts by applying the appropriate per capita, per employee and per equivalent resident multipliers to the Project's land use assumptions. The FIA calculates equivalent residents by adding residential population plus 50% of employees. Employment is reduced by 50% to account for the estimated less frequent use of City public services by employees than residents. The various per capita, per employee, and per equivalent resident multipliers used in the FIA were calculated using the City of Laguna Hills Fiscal Year 2011-12 to 2012-13 Biennial Budget ("Budget"). Cost and revenue multipliers are projected in 2012 dollars, and are not adjusted for inflation.

Information used in preparing the FIA was obtained from the following sources:

1. City of Laguna Hills Fiscal Year 2011-12 to 2012-13 Biennial Budget
2. City of Laguna Hills Staff (property tax and sales tax data)
3. Fritz Duda Company (“Developer”) (land use information)
4. The California Department of Finance (population information)
5. The California Employment Development Department (employment information)
6. Orange County Auditor-Controller’s Office (fiscal year 2011-12 share of the basic tax information)
7. U.S. Department of Labor (household expenditure data)

The following table shows selected assumptions used in the FIA:

	Existing	Phase 1	Phase 1 & 2
Land Use Assumptions			
Building Sq. Ft.	189,306	108,226	75,426
New Retail Sq. Ft.	-	23,974	49,574
Multi-Family Residential Units	-	289	489
Assessed Value	\$22,083,351	\$65,809,324	\$98,539,835
Taxable Sales	\$24,795,900	\$32,279,395	\$30,227,395
City Residential Population (a)	30,618		
Residents Per Household (a)	2.889		
City Employment (b)	26,700		
City Share of the Basic Tax (c)	5.3713%		
Existing Land Use Taxable Sales (d)	\$24,795,900		

(a) Per the California Department of Finance as of January 1, 2012.

(b) Per the California Employment Development Department, March, 2012.

(c) Per Orange County Auditor/Controller, See Table 4. Amount confirmed with City Staff.

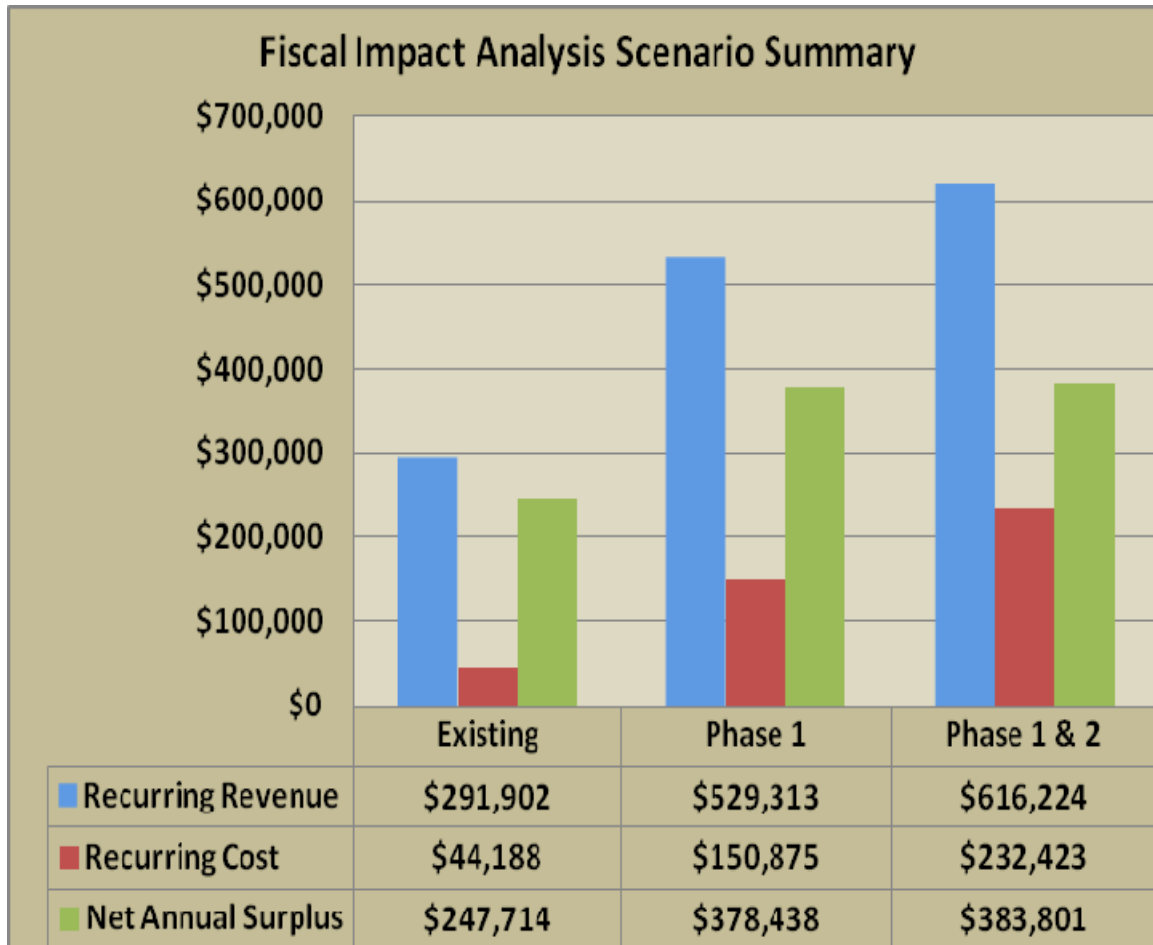
(d) Based on actual sales tax receipts for four quarter prior to August 2012, per information provided by City Staff.

5. FIA Summary and Conclusions

The FIA examines the financial impact the Project will have on the City's General Fund. The Project will generate additional revenue for the General Fund primarily through increased property taxes, motor vehicle license fees, sales tax, and franchise fees. The additional costs incurred to the General Fund consist primarily of public safety, public services, and community services costs. The Project's direct impact to the General Fund under the Existing, Phase 1 and Phase 1 & 2 land uses is summarized in the table below. Per the request of City Staff, two alternate scenarios were calculated showing a 15% and 20% reduction in revenue.

Exhibit Reference	Existing Exhibit 1	Phase 1 Exhibit 2	Phase 1 & 2 Exhibit 3
I. Land Plan			
A. Non-Residential Sq. Ft.			
Existing Building Sq. Ft	189,306	108,226	75,426
New Retail Sq. Ft.			
Pad 1	-	7,600	7,600
Pad 2	-	7,374	7,374
New Shops 1	-	9,000	9,000
New Shops 2	-	-	25,600
Subtotal New Retail Sq. Ft.	-	23,974	49,574
Total Retail Sq. Ft.	189,306	132,200	125,000
B. Occupancy Rate	79.4%	95.0%	95.0%
C. Residential Units	-	289	489
D. Total Assessed Value	\$22,083,351	\$65,809,324	\$98,539,835
II. Taxable Sales Revenue			
Existing Taxable Sales			
Remaining Tenants	\$24,717,595	\$24,717,595	\$24,717,595
Tenants Leaving	78,305	-	-
Subtotal Existing Taxable Sales	\$24,795,900	\$24,717,595	\$24,717,595
Taxable Sales from New Tenants	-	\$7,561,800	\$5,509,800
Total Taxable Sales	\$24,795,900	\$32,279,395	\$30,227,395
III. Fiscal Impact Analysis			
Recurring Revenues	\$291,902	\$529,313	\$616,224
Recurring Costs	44,188	150,875	232,423
General Fund Surplus (Deficit)	\$247,714	\$378,438	\$383,801
IV. Alternative Scenarios - General Fund Surplus			
Surplus @ 15% Rev. Reduction	\$203,929	\$299,041	\$291,367
Surplus @ 20% Rev. Reduction	189,334	272,575	260,556

As shown in the table on the prior page, the Project is anticipated to generate an annual surplus of \$378,438 to the City's General Fund after Phase 1 and a \$383,801 surplus after Phase 1 & 2, compared to a \$247,714 surplus for the existing land use.



The following table shows a detailed summary of the Project's fiscal impact on the City's General Fund under the Existing, Phase 1 and Phase 1 & 2 land use scenarios.

	Exhibit Table Reference	Existing	Phase 1	Phase 1 & 2
Exhibit Reference		Exhibit 1	Exhibit 2	Exhibit 3
General Fund Recurring Revenues				
Property Tax	5	\$11,862	\$35,348	\$52,929
Property Transfer Tax	5	-	\$3,519	\$5,952
Property Tax In Lieu of VLF	7	-	\$39,354	\$66,645
Property Tax In Lieu of Sales Tax	5	\$61,990	\$92,442	\$95,450
Off-Site Sales and Use Tax	6	-	\$40,164	\$67,994
On-Site Sales and Use Tax	6	\$212,005	\$275,989	\$258,444
Franchise Taxes	7	\$3,654	\$20,017	\$31,990
Intergovernmental Revenue	7	-	\$2,062	\$3,493
Licenses and Permits	7	-	-	-
Charges for Services	7	-	\$13,023	\$22,053
Fines & Forfeitures	7	\$2,392	\$7,395	\$11,274
Total Recurring Revenues		\$291,902	\$529,313	\$616,224
General Fund Recurring Costs				
Council/Manager	8	\$2,528	\$7,817	\$11,917
City Clerk	8	\$910	\$2,814	\$4,290
Administrative Services	8	\$3,129	\$9,675	\$14,750
Information Technology	8	\$557	\$1,723	\$2,626
Community Development	8	-	-	-
Public Services	8	\$9,592	\$29,655	\$45,209
Community Services	8	-	\$14,262	\$24,152
Public Safety	8	\$27,471	\$84,931	\$129,479
Total Recurring Costs		\$44,188	\$150,875	\$232,423
General Fund Surplus/(Deficit)		\$247,714	\$378,438	\$383,801

6. Recurring Revenues

Recurring revenues consist of the items shown in the table below. Detailed calculations are shown in the attached exhibits.

	Exhibit Table Reference	Existing	Phase 1	Phase 1 & 2
Exhibit Reference		Exhibit 1	Exhibit 2	Exhibit 3
General Fund Recurring Revenues				
Property Tax	5	\$11,862	\$35,348	\$52,929
Property Transfer Tax	5	-	3,519	5,952
Property Tax In Lieu of VLF	7	-	39,354	66,645
Property Tax In Lieu of Sales Tax	5	61,990	92,442	95,450
Off-Site Sales and Use Tax	6	-	40,164	67,994
On-Site Sales and Use Tax	6	212,005	275,989	258,444
Franchise Taxes	7	3,654	20,017	31,990
Intergovernmental Revenue	7	-	2,062	3,493
Licenses and Permits	7	-	-	-
Charges for Services	7	-	13,023	22,053
Fines & Forfeitures	7	2,392	7,395	11,274
Total Recurring Revenues		\$291,902	\$529,313	\$616,224

6.1 Property Tax

In addition to other ad valorem charges imposed by various local agencies, land owners in the State of California ("State") are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each county in California is divided into various tax rate areas ("TRA" or "TRAs"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRAs. Table 4 of the attached exhibits shows the share of the basic tax applicable to the Project's TRA 31-021.

In 1992, to meet its obligations to fund education at specific levels under Proposition 98, the State enacted legislation that shifted partial financial responsibility for funding education to local governments (cities, counties, and special districts). The State did this by instructing county auditors to shift the allocation of local property tax revenues to educational revenue augmentation funds ("ERAF") to support schools. As such, the FIA shows the City's General Fund share of the basic tax after the shift of revenue to ERAF.

6.2 Property Transfer Tax

The City receives property transfer tax revenue as new or existing property is sold and ownership is transferred. In accordance with California Revenue and Taxation Code Section 11911, a county may levy a transfer tax at the rate of \$0.55 for each \$500 of assessed value. A city within the county that levies this tax can levy a transfer tax at a rate of \$0.55 per \$1,000. If both the county and city levy the transfer tax, a credit shall be allowed against the amount imposed by the county in the amount of tax that is imposed by the city. The City's share of the tax is \$0.55 per \$1,000 of value transferred. The FIA assumes a residential turnover rate of 14.00% of total assessed value per year (i.e. properties change ownership every 7 years on average) as shown in Table 5 of the attached exhibits.

6.3 Property Tax In-Lieu of Vehicle License Fees ("VLF")

Established in 1935 as a uniform statewide tax, the VLF is a tax on the ownership of a registered vehicle in place of taxing vehicles as personal property. The VLF is paid annually upon vehicle registration in addition to other fees, such as air quality fees and commercial vehicle weight fees.

By law, all revenues from the VLF fund city and county services, but the state legislature controls the tax rate and the allocation among local governments. In 2004, the California legislature permanently reduced the VLF tax rate and eliminated state general fund backfill to cities and counties. Instead, cities and counties now receive additional transfers of property tax revenues in-lieu of VLF as part of a budget agreement between the State and local governments. The FIA projects property tax in-lieu of VLF revenue using a per capita multiplier as shown in Table 7 of the attached exhibits.

6.4 Sales and Use Tax

Under the California Sales and Use Tax Law, the sale of tangible personal property is subject to sales or use tax unless exempt or otherwise excluded. When the sales tax applies, the use tax does not apply and the opposite is also true. The sales tax is imposed on all retailers for the privilege of selling tangible personal property in the State and is measured by the retailer's gross receipts. Use tax is imposed on purchasers of tangible personal property from any retailer for the purpose of storage, use, or other consumption in the State and is measured by the sales price of the property purchased. If an out-of-state retailer is engaged in business in this state, it is required to register with the State and collect the use tax from the purchaser at the time of making the sale. Purchases made over the Internet or out-of-state are the most common transactions subject to a use tax.

There is an 8.25% statewide sales and use tax base rate that is collected by the State. Since April 1, 2009, the State government has received 7.25% of the 8.25% and local governments receive the remaining 1% which is transferred to the local government's general fund.

6.4.1 Property Tax In-Lieu of Sales Tax

This analysis assumes that 0.25% of sales and use tax is redirected to property tax per the Sales Tax Triple Flip. In March 2004, voters approved Proposition 57, the California Economic Recovery Bond Act which allowed the State to purchase bonds to reduce the State budget deficit. The legislature enacted provisions that changed how sales and use taxes and other revenues are distributed to schools and local governments on and after

July 1, 2004. These changes will remain in effect until the State Director of Finance notifies the Board of Equalization that the State's bond obligations have been satisfied.

As of June 2009, the Department of Finance estimates Proposition 57, or the Economic Recovery Bond Act authorizing the triple flip, will continue until all of the bonds are retired in Spring 2016. The final bond maturity is in July 2023 for the 2009 bonds.

Under the revenue "swapping" procedures commonly referred to as the "Sales Tax Triple Flip", the local government portion of the statewide sales tax rate will decrease by 0.25%, and the State portion will increase by 0.25%. The county auditor in each county uses property tax revenues to reimburse the county and cities within the county. County auditors set aside a portion of ERAF funds and place them in a Sales and Use Tax Compensation Fund. In January and May of each year, the State Director of Finance instructs County Auditors to allocate revenues from the Sales and Use Tax Compensation Fund to the county and to the cities within the county. See Tables 5 and 6 of the attached exhibits for the property tax in-lieu of sales tax revenue calculations.

6.4.2 Off-Site Sales and Use Tax

The City will receive sales tax revenue from taxable purchases made within the City by the Project's residents from retailers not in the Project. The FIA projects household income for each unit by projecting annual rent and assuming annual rent is 25% of household income (See Table 3 of the attached exhibits). 32% of household income is spent on retail taxable expenditures per the Bureau of Labor Statistics. 65% of retail taxable expenditures are assumed to be captured in the City. After calculating total Project retail taxable expenditures captured in the City, the FIA assumes City sales tax revenue at 1% of taxable sales and use tax revenue at 10.5% of sales tax revenue as shown in Table 6 of the attached exhibits.

6.4.3 On-Site Sales and Use Tax

The FIA assumes that the City will receive sales tax revenue from taxable purchases made within the Project. The FIA assumes that existing tenants will continue to generate sales tax revenue at its current level and that new retail tenants will generate \$300 of taxable sales per building square foot annually as shown in Table 6 of the attached exhibits.

6.5 Franchise Taxes

The City receives utility franchise fee revenue from gas, electric, and cable television companies which service the local area and the Project. Per the City Budget, each utility company is assessed between 1% and 5% of gross receipts. The City also imposes a franchise fee on the City's solid waste and recycling provider for contract administration costs and costs associated with the repair of City streets. The City's transient occupancy tax revenue is also included in franchise taxes, but the FIA assumes that the Project will not impact transient occupancy tax.

The FIA uses various per capita and per equivalent resident multipliers to estimate the Project's impact on applicable franchise taxes as shown in Table 7 of the attached exhibits.

6.6 Intergovernmental Revenues

The City's intergovernmental revenue sources include sales and use tax which is discussed in Section 6.4 and motor vehicle in lieu fees. Motor vehicle in lieu fees represent the portion of vehicle license fees that are not redirected to property tax. Motor vehicle in lieu fees are projected using a per capita multiplier as shown in Table 7 of the attached exhibits.

6.7 Licenses and Permits

Licenses and permits revenue includes revenue collected for building licenses, permits, and engineering fees. As these revenue sources are development driven, the FIA assumes one-time fees paid during Project's redevelopment and subsequent permit activity will cover such costs.

6.8 Charges for Services

Charges for services revenue include the following categories:

- Recreation Fees
- Development Services Fees
- Leases and Rental Fees
- Other Service Charges
- Miscellaneous Operating Revenue

Recreation fees are projected using various per capita multipliers as shown in Table 7 of the attached exhibits.

6.9 Fines & Forfeitures

Fines and Forfeitures revenue consists of vehicle code fines, parking revenues, court fines and abandoned vehicle abatement fees. The FIA uses various per equivalent resident multipliers to project fines & forfeitures revenue as shown in Table 7 of the attached exhibits.

7. Recurring Costs

Recurring costs consist of the items shown in the table below. Detailed calculations are shown in the attached exhibits.

	Exhibit Table Reference	Existing	Phase 1	Phase 1 & 2
Exhibit Reference		Exhibit 1	Exhibit 2	Exhibit 3
General Fund Recurring Costs				
Council/Manager	8	\$2,528	\$7,817	\$11,917
City Clerk	8	910	2,814	4,290
Administrative Services	8	3,129	9,675	14,750
Information Technology	8	557	1,723	2,626
Community Development	8	-	-	-
Public Services	8	9,592	29,655	45,209
Community Services	8	-	14,262	24,152
Public Safety	8	27,471	84,931	129,479
Total Recurring Costs		\$44,188	\$150,875	\$232,423

7.1 Council/Manager

Per the Budget, the Council/Manager Department formulates and implements City policies, practices, and services providing overall policy direction and management of the City. The Council/Manager Department is also responsible for fostering intergovernmental relations, and advocating the City's interests regarding regional, state and federal issues.

The FIA assumes a 50% marginal increase as council/manager costs are not anticipated to have a 1:1 relationship with population and employment growth from the Project. The FIA uses various per equivalent resident multipliers to project council/manager costs as shown in Table 8 of the attached exhibits.

7.2 City Clerk

Per the Budget, the City Clerk Department is responsible for administering the City's legislative process including the publication of notices and ordinances, agenda preparation, and recording and communicating all City council actions taken. The department is also responsible for the managing the City's records, municipal elections, and preparation and maintenance of the City's municipal code.

The FIA assumes a 50% marginal increase as city clerk are not anticipated to have a 1:1 relationship with population and employment growth from the Project. The FIA uses various per equivalent resident multipliers to project city clerk costs as shown in Table 8 of the attached exhibits.

7.3 Administrative Services

Per the Budget, the Administrative Service Department is responsible for a variety of tasks as follows: directing the financial activities of the City including budgeting, accounting, auditing, reporting, and cash management; implementing and administering the City's risk management program; managing the City's human resources and personnel system; providing support services to other City departments including public information services and facilities management; and administering the City's franchise agreements.

The FIA assumes a 50% marginal increase as administrative services costs are not anticipated to have a 1:1 relationship with population and employment growth from the Project. The FIA uses various per equivalent resident multipliers to project administrative services costs as shown in Table 8 of the attached exhibits.

7.4 Information Technology

Per the Budget, the Information Technology Department is responsible for the support and management of the City's information services, including software application and computer hardware.

The FIA assumes a 50% marginal increase as information technology costs are not anticipated to have a 1:1 relationship with population and employment growth from the Project. The FIA uses various per equivalent resident multipliers to project information technology costs as shown in Table 8 of the attached exhibits.

7.5 Community Development

Per the Budget, The Community Development Department consists of the Planning division and the Building and Safety Division. The Planning division is responsible for implementation of the City's General Plan, monitoring and responding to development in neighboring jurisdictions and ensuring planning and environmental compliance with regional authorities and State law. The Building and Safety division is responsible for the review of building plans, issuance of permits, public counter services, complaint investigations, code compliance, and City reception duties.

The FIA assumes that these planning and permit costs are offset by fees and charges. See Table 8 of the attached exhibits.

7.6 Public Services

Per the Budget, the Public Services Department is composed of the Engineering, Public Works, and Parks divisions. The Engineering division provides management of the public right-of-way, traffic engineering, civil engineering, water quality administration, and capital improvement administration. The Public Works division provides maintenance services for all infrastructure in the public right-of-way. The Parks division performs maintenance inspection and administration of contracts for maintenance of the City's local parks, sports parks, open space, slopes, median and parkways. The Parks division is also responsible for graffiti removal, lighting maintenance, restroom maintenance, and a variety of repair services.

The FIA uses various per equivalent resident multipliers to the project the impact on public services costs such as street maintenance, traffic maintenance, street sweeping, and land maintenance as shown in Table 8 of the attached exhibits.

7.7 Community Services

Per the Budget, the Community Services Department provides recreation classes, special events, excursions, camps, athletic programs, and disability services.

The FIA assumes a 50% marginal increase as community services costs are not anticipated to have a 1:1 relationship with population and employment growth from the Project. The FIA uses various per capita multipliers to project community services costs as shown in Table 8 of the attached exhibits.

7.8 Public Safety

Per the Budget, the Public Safety Department manages the law enforcement contract with the Orange County Sheriff's Department, manages the animal controls services contract with the County of Orange, and is responsible for preparing and maintained an emergency operations plan for the City.

The FIA uses various per equivalent resident multipliers to project public safety costs as shown in Table 8 of the attached exhibits.

Public safety costs are assumed to have a 1:1 relationship with population and employment growth from the Project with the exception of traffic enforcement, supervision, and administration costs. These public safety costs are not anticipated to have a 1:1 relationship with population and employment growth from the Project and the FIA assumes a 50% marginal increase.

8. Glossary of Defined Terms and Acronyms

Budget	City of Laguna Hills Fiscal Year 2011-12 to 2012-13 Biennial Budget
City	City of Laguna Hills
Developer	Fritz Duda Company
DPMG	Development, Planning & Financing Group
ERAF	Educational Revenue Augmentation Fund
FIA	Fiscal Impact Analysis
General Fund	City of Laguna Hills General Fund
Project	Oakbrook Village
State	State of California
TRA	Tax Rate Area
VLF	Vehicle License Fees

REST OF PAGE LEFT BLANK

Oakbrook Village Fiscal Impact Analysis
Exhibit 1 - Existing
Table 1 - Fiscal Impact Analysis Summary
October 4, 2012

<u>I. GENERAL FUND</u>	<u>Table Ref.</u>	<u>Buildout</u>	<u>Percent of Total</u>
A. Recurring Revenues			
Property Tax	5	\$ 11,862	4.1%
Property Transfer Tax	5	-	0.0%
Property Tax In Lieu of VLF	7	-	0.0%
Property Tax In Lieu of Sales Tax	5	61,990	21.2%
Off-Site Sales and Use Tax	6	-	0.0%
On-Site Sales and Use Tax	6	212,005	72.6%
Franchise Taxes	7	3,654	1.3%
Intergovernmental Revenue	7	-	0.0%
Licenses and Permits	7	-	0.0%
Charges for Services	7	-	0.0%
Fines & Forfeitures	7	2,392	0.8%
Total Recurring Revenues		\$ 291,902	100.0%
B. Recurring Costs			
Council/Manager	8	\$ 2,528	5.7%
City Clerk	8	910	2.1%
Administrative Services	8	3,129	7.1%
Information Technology	8	557	1.3%
Community Development	8	-	0.0%
Public Services	8	9,592	21.7%
Community Services	8	-	0.0%
Public Safety	8	27,471	62.2%
Total Recurring Costs		\$ 44,188	100.0%
General Fund Surplus/(Deficit)		\$ 247,714	

Footnotes:

(a) Hypothetical decrease in revenue to illustrate more conservative scenarios.

Oakbrook Village Fiscal Impact Analysis
Exhibit 1 - Existing
Table 2 - Land Use Plan and Assessed Value Calculations
October 4, 2012

Building Removal			Existing				Phase 1				Phase 1 & Phase 2			
Building	Phase 1	Phase 2	Bldg	FY 2011-12 AV			Bldg	FY 2011-12 AV			Bldg	FY 2011-12 AV		
			Sq. Ft	Land	Build-Imp	Total AV	Sq. Ft	Land	Build-Imp	Total AV	Sq. Ft	Land	Build-Imp	Total AV
I. Retail			(a)	(b)	(b)		(a)	(b)	(b)		(a)	(b)	(b)	
A. Existing Buildings														
A	N	N	33,000	\$ 252,586	\$ 2,975,081	\$ 3,227,667	33,000	\$ 252,586	\$ 2,975,081	\$ 3,227,667	33,000	\$ 252,586	\$ 2,975,081	\$ 3,227,667
B	N	Y	5,100	63,144	331,661	394,805	5,100	63,144	331,661	394,805	-	63,144	-	63,144
C	N	Y	5,510	63,143	485,638	548,781	5,510	63,143	485,638	548,781	-	63,143	-	63,143
D	N	N	7,800	126,291	1,182,687	1,308,978	7,800	126,291	1,182,687	1,308,978	7,800	126,291	1,182,687	1,308,978
E	N	N	9,500	189,440	991,681	1,181,121	9,500	189,440	991,681	1,181,121	9,500	189,440	991,681	1,181,121
F	N	N	-	63,139	-	63,139	-	63,139	-	63,139	-	63,139	-	63,139
G	Y	Y	6,000	63,146	495,829	558,975	-	63,146	-	63,146	-	63,146	-	63,146
H	N	N	25,126	252,586	2,345,610	2,598,196	25,126	252,586	2,345,610	2,598,196	25,126	252,586	2,345,610	2,598,196
I	Y	Y	50,000	189,441	2,644,513	2,833,954	-	189,441	-	189,441	-	189,441	-	189,441
J	Y	Y	3,350	63,144	12,648	75,792	-	63,144	-	63,144	-	63,144	-	63,144
K	N	N	-	189,438	-	189,438	-	189,438	-	189,438	-	189,438	-	189,438
L	Y	Y	2,500	63,145	330,550	393,695	-	63,145	-	63,145	-	63,145	-	63,145
M	Y	Y	3,750	24,628	406,803	431,431	-	24,628	-	24,628	-	24,628	-	24,628
N	Y	Y	15,480	101,662	1,679,284	1,780,946	-	101,662	-	101,662	-	101,662	-	101,662
O	N	N	-	4,420,303	-	4,420,303	-	4,420,303	-	4,420,303	-	4,420,303	-	4,420,303
P	N	Y	16,240	126,294	1,365,262	1,491,556	16,240	126,294	1,365,262	1,491,556	-	126,294	-	126,294
Q	N	Y	5,950	63,146	521,428	584,574	5,950	63,146	521,428	584,574	-	63,146	-	63,146
Total			189,306	\$ 6,314,676	\$ 15,768,675	\$ 22,083,351	108,226	\$ 6,314,676	\$ 10,199,048	\$ 16,513,724	75,426	\$ 6,314,676	\$ 7,495,059	\$ 13,809,735

B. New Retail	Building Value			Sq. Ft	Building Value			Sq. Ft	Building Value			Sq. Ft	Building Value		
	per Sq. Ft.				per Sq. Ft.				per Sq. Ft.						
Pad 1	-	\$ 150.00	\$ -	7,600	-	\$ 150.00	\$ 1,140,000	7,600	-	\$ 150.00	\$ 1,140,000	7,600	-	\$ 150.00	\$ 1,140,000
Pad 2	-	150.00	-	7,374	-	150.00	1,106,100	7,374	-	150.00	1,106,100	7,374	-	150.00	1,106,100
New Shops 1	-	150.00	-	9,000	-	150.00	1,350,000	9,000	-	150.00	1,350,000	9,000	-	150.00	1,350,000
New Shops 2	-	150.00	-	-	-	150.00	-	25,600	-	150.00	3,840,000	25,600	-	150.00	3,840,000
Total	-		\$ -	23,974			\$ 3,596,100	49,574	25,600		\$ 7,436,100				\$ 7,436,100
C. Total Existing & New				189,306		\$ 22,083,351	132,200			\$ 20,109,824	125,000				\$ 21,245,835

II. Multi-Family	Building Value				Units	Building Value				Units	Building Value				
	Sq. Ft.	per Sq. Ft.	Total	Sq. Ft.		per Sq. Ft.	Total	Sq. Ft.	per Sq. Ft.		Total				
(a)	(a)	(c)		(a)	(a)	(c)		(a)	(a)	(c)		(a)	(a)	(c)	
-	-	\$ 175.00	\$ -	289	261,140	\$ 175.00	\$ 45,699,500	489	441,680	\$ 175.00	\$ 77,294,000				
III. Total Assessed Value			\$ 22,083,351			\$ 65,809,324					\$ 98,539,835				

Footnotes:

(a) Per information provided by Milan Capital, dated May 2012.

(b) Per FY2011-12 tax bills.

(c) Preliminary estimate for illustration purposes.

Oakbrook Village Fiscal Impact Analysis
Exhibit 1 - Existing
Table 3 - Population, Employment & Household Income Calculations
October 4, 2012

I. Population	Sq. Ft. Per Unit	Units	Sq. Ft.	PPH	Project Residents
Phase 1:	(a)	(a)		(b)	
1 Bedroom	714	160	114,240	1.30	208
2 Bedroom	1,100	129	141,900	2.29	295
Clubhouse			5,000		-
Total Phase 1	904	289	261,140		503
Phase 2					
1 Bedroom	714	110	78,540	1.30	143
2 Bedroom	1,100	90	99,000	2.29	206
Clubhouse			3,000		
Total Phase 2	903	200	180,540		349
Total Phase 1 & Phase 2		489	441,680		853
II. Employment			Sq. Ft.	Sq. Ft. per Employee	Employees
			(a)	(c)	
Existing			189,306	450	421
Phase 1			132,200	450	294
Phase 1 & Phase 2			125,000	450	278
III. Population & Employment Summary (Active Scenario)					
Units					-
Residents					-
Employees					421
Equivalent Residents @ 50% of Employees					210
Total Equivalent Residents					210
IV. Household Income	Rent per Sq. Ft.	Sq. Ft. Per Unit	Annual Rent	Household Income Per Unit @ 25%	Total Household Income
Phase 1	(d)			(e)	
1 Bedroom	\$ 1.92	714	\$ 16,451	\$ 65,802	\$ 10,528,358
2 Bedroom	1.77	1,100	23,364	93,456	12,055,824
Total Phase 1					\$ 22,584,182
Phase 2					
1 Bedroom	\$ 1.92	714	\$ 16,451	\$ 65,802	\$ 7,238,246
2 Bedroom	1.77	1,100	23,364	93,456	8,411,040
Total Phase 2					\$ 15,649,286
Total Phase 1 & Phase 2					\$ 38,233,469

Footnotes:

- (a) Per information provided by client.
(b) Per DPFG research.
(c) Per DPFG research.
(d) Per October 2011 Rent Survey prepared by client.
(e) Per DPFG research.

Oakbrook Village Fiscal Impact Analysis
Exhibit 1 - Existing
Table 4 - Post-ERAF Share of the Basic Tax Calculation
October 4, 2012

Agency	Tax Rate Area 31-021
	(a)
City of Laguna Hills	5.3713%
El Toro Water District - General Fund	1.1205%
Orange County Vector Control District	0.1194%
OC Fire Authority - General Fund	12.0162%
Orange County Transit Authority	0.3000%
Saddleback Valley Unified General Fund	48.4563%
South Orange County Community College District-General Fund	9.4636%
OC Department of Education-General Fund	1.7441%
Orange County General Fund	3.7629%
Orange County Public Library	1.7825%
OC Flood Control District	2.1141%
OC Parks CSA 126	1.6341%
Educational Revenue Augmentation Fund	12.0619%
Orange County Cemetery Fund-General	0.0531%
Total	1.0000%

Footnotes:

Source: Orange County Auditor-Controller's Office.

- (a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13.

Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax for the TRA applicable to the Project.

Oakbrook Village Fiscal Impact Analysis
Exhibit 1 - Existing
Table 5 - Property Tax Calculations
October 4, 2012

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	2	\$	22,083,351
Basic Rate			1.000%
Basic Tax Paid		\$	220,834
General Fund Share of Basic Tax (a)	3		5.37%
Total Property Tax Revenue		\$	11,862
II. Property Transfer Tax			
Residential Assessed Value	2	\$	-
Residential Turnover Rate (b)			14.00%
Value of Annual Turnover		\$	-
Transfer Tax Rate (c)			0.0550%
Total Property Transfer Tax	[1]+[2]	\$	-
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (d)	5	\$	-
On-Site Sales Tax Redirected to Property Tax (d)	5		61,990
Total Property Tax In-Lieu of Sales Tax		\$	61,990

Footnotes:

- (a) Per information provided by the City of Laguna Hills.
- (b) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.
- (c) The County may levy a transfer tax at the rate of \$0.55 for each \$500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of \$0.55 per \$1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.
- (d) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5. As of June 2009, the Department of Finance estimates Proposition 57, or the Economic Recovery Bond Act authorizing the Triple Flip, will continue until all of the bonds are retired in Spring 2016. The final bond maturity is in July 2023 for the 2009 bonds.

Oakbrook Village Fiscal Impact Analysis
Exhibit 1 - Existing
Table 6 - Sales and Use Tax Calculations
October 4, 2012

I. Off-Site Sales Tax Revenue

		Per Unit	Amount
Household Income (See Table 2)		\$ -	\$ -
Retail Taxable Sales @32% of Household Income (a)	32.0%	-	-
Projected Taxable Sales Captured in City @65% of Taxable Sales (b)	65.0%	-	-
Sales Tax @1.00% of taxable sales	1.00%	-	\$ -
Use Tax @10.50% of sales tax	10.50%	-	-
Less 0.25% Reclassified to Property Taxes (c)	0.25%	-	-
Total Off-Site Sales Tax Revenue		\$ -	\$ -

II. On-Site Sales Tax Revenue**Existing Taxable Sales**

	Existing	Phase 1	Phase 1 & Phase 2	Active Scenario
Remaining Tenants	\$ 24,717,595	\$ 24,717,595	\$ 24,717,595	\$ 24,717,595
Tenants Leaving	78,305	-	-	78,305
Total Existing Taxable Sales	\$ 24,795,900	\$ 24,717,595	\$ 24,717,595	\$ 24,795,900

New Tenants

New Tenants (Sq. Ft.)	-	25,206	18,366	-
Taxable Sales Per Sq. Ft.	\$ -	\$ 300	\$ 300	\$ -
Total New Tenants Taxable Sales	\$ -	\$ 7,561,800	\$ 5,509,800	\$ -

Total Taxable Sales

\$ 24,795,900	\$ 32,279,395	\$ 30,227,395	\$ 24,795,900
----------------------	----------------------	----------------------	----------------------

Total Taxable Sales				\$ 24,795,900
Sales Tax @1% of taxable sales			1.00%	247,959
Use Tax @10.50% of sales tax			10.50%	26,036
Less 0.25% Reclassified to Property Taxes (c)			0.25%	(61,990)
Total On-Site Sales Tax Revenue				\$ 212,005

Footnotes:

- (a) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.
- (b) Preliminary estimate for illustration purposes.
- (c) 0.25% of sales tax is redirected to property tax per the Triple Flip.

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 1 - Existing
Table 7 - General Fund Revenue Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
Property Taxes									
Secured, Unsecured & Other	II-5	\$ 5,585,928	100%	-----	-----	See Table 4	-----	-----	-----
Interest & Penalties	II-5	52,212	100%	52,212	PER	43,968	1.19	210	250
Miscellaneous Prior Years	II-5	218,228	0%	-----	-----	See Footnote (d)	-----	-----	-----
Property Transfer Taxes	II-5	193,800	100%	-----	-----	See Table 4	-----	-----	-----
Property Taxes In-Lieu of VLF	II-5	2,393,552	100%	2,393,552	PC	30,618	78.17	-	-
Total Property Taxes		\$ 8,443,720		\$ 2,445,764			\$ 79.36		\$ 250
Franchise Taxes									
Utility Franchise Fees									
Cable TV	II-5	\$ 530,400	100%	\$ 530,400	PC	30,618	\$ 17.32	-	\$ -
San Diego Gas & Electric	II-5	228,480	100%	228,480	PER	43,968	5.20	210	1,093
Southern California Edison	II-5	194,820	100%	194,820	PER	43,968	4.43	210	932
Southern California Gas Co.	II-5	70,351	100%	70,351	PER	43,968	1.60	210	337
Subtotal Utility Franchise Fees		\$ 1,024,051		\$ 1,024,051			\$ 28.55		\$ 2,362
Waste Disposal/Recycling Fees									
Waste Haulers	II-5	\$ 270,119	100%	\$ 270,119	PER	43,968	\$ 6.14	210	\$ 1,292
Subtotal Waste Disposal/Recycling Fees		\$ 270,119		\$ 270,119			\$ 6.14		\$ 1,292
Transient Occupancy Taxes	II-5	\$ 950,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Total Franchise Taxes		\$ 2,244,170		\$ 1,294,170			\$ 34.69		\$ 3,654
Intergovernmental Revenues									
Sales & Use Tax	II-5	\$ 5,490,497	100%	-----	-----	See Table 5	-----	-----	-----
Motor Vehicle in Lieu	II-5	125,439	100%	125,439	PC	30,618	4.10	-	-
Total Intergovernmental Revenues		\$ 5,615,936		\$ 125,439			\$ 4.10		\$ -
Licenses and Permits									
Building Licenses & Permits									
Building Permits	II-5	\$ 432,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Plan Check Fees	II-5	69,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Plan Check Fees -Fee /based	II-5	231,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Fire Fees	II-5	8,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Imaging Plans and Documents Fee	II-5	35,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Subtotal Building Licenses & Permits		\$ 775,000		\$ -			\$ -		\$ -
Engineering Fees									
Transportation Permit	II-5	\$ 2,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Grading Permit	II-5	4,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Encroachment Permit	II-5	23,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Traffic Permit & License	II-5	1,600	0%	-----	-----	See Footnote (e)	-----	-----	-----
Sub-total Engineering Permits		\$ 30,600		\$ -			\$ -		\$ -
Total Licenses and Permits		\$ 805,600		\$ -			\$ -		\$ -
Charges for Current Services									
Recreation Fees									
Fees- Programs	II-6	\$ 410,000	100%	\$ 410,000	PC	30,618	\$ 13.39	-	\$ -
Fees - Facility Reservation	II-6	215,000	100%	215,000	PC	30,618	7.02	-	-
Fees - Special Events	II-6	5,000	100%	5,000	PC	30,618	0.16	-	-
Fees-5K Registrations	II-6	132,050	100%	132,050	PC	30,618	4.31	-	-
Fees-5K Sponsorships	II-6	30,000	100%	30,000	PC	30,618	0.98	-	-
Subtotal Recreation Fees		\$ 792,050		\$ 792,050			\$ 25.87		\$ -
Development Services Fees									
Planning and Zoning Fees	II-6	\$ 142,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Improvement Inspect	II-6	36,500	0%	-----	-----	See Footnote (e)	-----	-----	-----
Grading Plan Check	II-6	1,500	0%	-----	-----	See Footnote (e)	-----	-----	-----
Subtotal Development Services Fees		\$ 180,000		\$ -			\$ -		\$ -
Leases and Rental Fees									
Cell Tower Lease	II-6	\$ 77,563	0%	-----	-----	See Footnote (d)	-----	-----	-----
Library Lease	II-6	48,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Subtotal Leases and Rental Fees		\$ 125,563		\$ -			\$ -		\$ -

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 1 - Existing
Table 7 - General Fund Revenue Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
Other Service Charges									
Sale of Publications/Maps	II-6	\$ 7,000	0%	-----		See Footnote (d) -----			
Subtotal Other Service Charges		<u>\$ 7,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Miscellaneous Operating Revenues		\$ 13,000	0%	-----		See Footnote (d) -----			
Total Charges for Services		<u>\$ 1,117,613</u>		<u>\$ 792,050</u>			<u>\$ 25.87</u>		<u>\$ -</u>
Fines and Forfeitures									
Vehicle Code Fines	II-6	\$ 393,000	100%	\$ 393,000	PER	43,968	\$ 8.94	210	\$ 1,880
Parking Revenues	II-6	79,000	100%	79,000	PER	43,968	1.80	210	378
Court Fines	II-6	13,000	100%	13,000	PER	43,968	0.30	210	62
Abandoned Vehicle Abatement	II-6	15,000	100%	15,000	PER	43,968	0.34	210	72
Total Fines and Forfeitures		<u>\$ 500,000</u>		<u>\$ 500,000</u>			<u>\$ 11.37</u>		<u>\$ 2,392</u>
Total General Fund Revenues		<u>\$ 18,727,039</u>		<u>\$ 5,157,423</u>			<u>\$ 155.39</u>		<u>\$ 6,296</u>

Footnotes:

(a) Per City of Laguna Hills Biennial Budget FY2011-2012 - FY2012-13.

(b) "PC"= Per Capita and "PER" = Equivalent Resident.

(c) Total population of 30,618 per the California Dept. of Finance as of January 2012. Total employment of 26,700 per the California Employment Development Department as of March 2012. For Equivalent Resident Factor, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Assumes Project will have a de minimis impact on these revenue sources.

(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 1 - Existing
Table 8 - General Fund Cost Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
Council/Manager	(a)	(a)			(b)	(c)			
Personnel	II-14	\$ 652,106	50%	\$ 326,053	PER	43,968	\$ 7.42	210	\$ 1,560
Maintenance and Operation	II-14	60,075	50%	30,038	PER	43,968	0.68	210	144
Contract Services	II-14	344,800	50%	172,400	PER	43,968	3.92	210	825
Capital Outlay -	II-14	-	0%			See Footnote (d)			
Total Council/Manager		\$ 1,056,981		\$ 528,491			\$ 12.02		\$ 2,528
Clerk									
Personnel	II-14	\$ 335,368	50%	\$ 167,684	PER	43,968	\$ 3.81	210	\$ 802
Maintenance and Operation	II-14	22,580	50%	11,290	PER	43,968	0.26	210	54
Contract Services	II-14	22,575	50%	11,288	PER	43,968	0.26	210	54
Capital Outlay	II-14	-	0%			See Footnote (d)			
Total Clerk		\$ 380,523		\$ 190,262			\$ 4.33		\$ 910
Administrative Services									
Personnel	II-14	\$ 800,797	50%	\$ 400,399	PER	43,968	\$ 9.11	210	\$ 1,915
Maintenance and Operation	II-14	378,260	50%	189,130	PER	43,968	4.30	210	905
Contract Services	II-14	129,250	50%	64,625	PER	43,968	1.47	210	309
Capital Outlay	II-14	3,500	0%			See Footnote (d)			
Total Administrative Services		\$ 1,311,807		\$ 654,154			\$ 14.88		\$ 3,129
Information Technology									
Personnel	II-14	\$ 49,340	50%	\$ 24,670	PER	43,968	\$ 0.56	210	\$ 118
Maintenance and Operation	II-14	25,908	50%	12,954	PER	43,968	0.29	210	62
Contract Services	II-14	157,687	50%	78,844	PER	43,968	1.79	210	377
Capital Outlay	II-14	38,485	0%			See Footnote (d)			
Total Information Technology		\$ 271,420		\$ 116,468			\$ 2.65		\$ 557
Community Development									
Personnel	II-14	\$ 934,086	0%			See Footnote (e)			
Maintenance and Operation	II-14	19,200	0%			See Footnote (e)			
Contract Services	II-14	410,000	0%			See Footnote (e)			
Capital Outlay	II-14	-	0%			See Footnote (e)			
Total Community Development		\$ 1,363,286		\$ -			\$ -		\$ -
Public Services									
Personnel									
Salaries - Full Time	III-33	\$ 512,819	0%			See Footnote (f)			
Auto Allowance	III-33	7,800	0%			See Footnote (f)			
Medicare	III-33	7,548	0%			See Footnote (f)			
Retirement	III-33	142,020	0%			See Footnote (f)			
Health Insurance	III-33	73,716	0%			See Footnote (f)			
Group Life	III-33	1,257	0%			See Footnote (f)			
Workers Comp & SUI	III-33	3,722	0%			See Footnote (f)			
Disability Insurance	III-33	3,313	0%			See Footnote (f)			
Subtotal Personnel		\$ 752,195		\$ -			\$ -		\$ -
Maintenance & Operations									
Memberships and Dues	III-33	\$ 1,900	0%			See Footnote (f)			
Training and Education	III-33	6,100	0%			See Footnote (f)			
Mileage Reimbursement	III-33	400	0%			See Footnote (f)			
Vehicle - fuel	III-33	9,000	0%			See Footnote (f)			
Computer Supplies	III-33	1,500	0%			See Footnote (f)			
Operating Supplies	III-33	10,500	0%			See Footnote (f)			
Printing	III-33	500	0%			See Footnote (f)			
Subscriptions & Books	III-33	250	0%			See Footnote (f)			
Telephone & Communication	III-33	4,000	0%			See Footnote (f)			
Utilities - Electric	III-33	105,000	0%			See Footnote (f)			
Electric - St. Light/Signal	III-33	390,000	0%			See Footnote (f)			
Utilities - Water	III-33	285,000	0%			See Footnote (f)			
Rent/Lease Facility	III-33	3,600	0%			See Footnote (f)			
Maintenance & Repair - Equip/Mac	III-33	-	0%			See Footnote (f)			
Maintenance & Repair - Vehicle	III-33	2,000	0%			See Footnote (f)			
Subtotal Maintenance & Operations		\$ 819,750		\$ -			\$ -		\$ -

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 1 - Existing
Table 8 - General Fund Cost Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
Contractual Services									
Professional Services	III-33	\$ 15,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Computer Consulting Services	III-33	10,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
City Engineer	III-33	43,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Traffic Engineer	III-33	60,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
On-Call Engineer	III-33	7,500	0%	-----	-----	See Footnote (f)	-----	-----	-----
Improvement Inspection	III-33	55,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
County EMA - Street Main.	III-33	640,000	100%	640,000	PER	43,968	14.56	210	3,062
Street Sweeping	III-33	125,000	100%	125,000	PER	43,968	2.84	210	598
Traffic Signal Maint.	III-33	120,000	100%	120,000	PER	43,968	2.73	210	574
Graffiti Removal	III-33	25,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Land. Maint. Contract	III-33	1,120,000	100%	1,120,000	PER	43,968	25.47	210	5,358
Parks Contract Repair	III-33	134,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Ann. Backflow Device Cert.	III-33	-	0%	-----	-----	See Footnote (f)	-----	-----	-----
Ann. Weed Abatement Pro.	III-33	40,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Cont. Serv. - Janitorial	III-33	44,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Subtotal Contractual Services		<u>\$ 2,438,500</u>		<u>\$ 2,005,000</u>			<u>\$ 45.60</u>		<u>\$ 9,592</u>
Capital Outlay									
Vehicles	III-33	\$ -	0%	-----	-----	See Footnote (d)	-----	-----	-----
Equipment	III-33	10,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Subtotal Capital Outlay		<u>\$ 10,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Total Public Services		<u>\$ 4,020,445</u>		<u>\$ 2,005,000</u>			<u>\$ 45.60</u>		<u>\$ 9,592</u>
Community Services									
Personnel	II-14	\$ 1,002,012	50%	\$ 501,006	PC	30,618	\$ 16.36	-	\$ -
Maintenance and Operation	II-14	526,335	50%	263,168	PC	30,618	8.60	-	-
Contract Services	II-14	206,500	50%	103,250	PC	30,618	3.37	-	-
Capital Outlay	II-14	23,500	0%	-----	-----	See Footnote (d)	-----	-----	-----
Total Community Services		<u>\$ 1,758,347</u>		<u>\$ 867,424</u>			<u>\$ 28.33</u>		<u>\$ -</u>
Public Safety									
Maintenance and Operations									
Memberships and Dues	III-45	\$ 300	100%	\$ 300	PER	43,968	\$ 0.01	210	\$ 1
Training and Education	III-45	800	100%	800	PER	43,968	0.02	210	4
Vehicle - Fuel	III-45	5,000	100%	5,000	PER	43,968	0.11	210	24
Computer Supplies	III-45	2,000	100%	2,000	PER	43,968	0.05	210	10
Operating Supplies	III-45	3,300	100%	3,300	PER	43,968	0.08	210	16
Maintenance & Repair	III-45	16,000	100%	16,000	PER	43,968	0.36	210	77
Maintenance & Repair	III-45	19,450	100%	19,450	PER	43,968	0.44	210	93
Comm. Events/Public Relations	III-45	500	100%	500	PER	43,968	0.01	210	2
Subtotal Maintenance & Operations		<u>\$ 47,350</u>		<u>\$ 47,350</u>			<u>\$ 1.08</u>		<u>\$ 226.52</u>
Contractual Services									
Professional Services	III-45	\$ 22,000	100%	\$ 22,000	PER	43,968	\$ 0.50	210	\$ 105
Contract Services	III-45	93,769	100%	93,769	PER	43,968	2.13	210	449
County Service	III-45	37,500	100%	37,500	PER	43,968	0.85	210	179
General Law Enforcement	III-45	4,525,702	100%	4,525,702	PER	43,968	102.93	210	21,651
Traffic Enforcement	III-45	992,214	50%	496,107	PER	43,968	11.28	210	2,373
Supervision & Admin.	III-45	1,039,808	50%	519,904	PER	43,968	11.82	210	2,487
Subtotal Contractual Services		<u>\$ 6,710,993</u>		<u>\$ 5,694,982</u>			<u>\$ 129.53</u>		<u>\$ 27,244</u>
Capital Outlay									
Vehicles	III-45	\$ -	0%	-----	-----	See Footnote (d)	-----	-----	-----
Furniture	III-45	2,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Subtotal Capital Outlay		<u>\$ 2,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Total Public Safety		<u>\$ 6,760,343</u>		<u>\$ 5,742,332</u>			<u>\$ 130.60</u>		<u>\$ 27,471</u>
Total Operating Expenditures		<u>\$ 16,923,152</u>		<u>\$ 10,104,129</u>			<u>\$ 238.41</u>		<u>\$ 44,188</u>

Footnotes:

(a) Per City of Laguna Hills Biennial Budget FY2011-2012 - FY2012-13.

(b) "PC"= Per Capita and "PER" = Equivalent Resident.

(c) Total population of 30,618 per the California Dept. of Finance as of January 2012. Total employment of 26,700 per the California Employment Development Department as of March 2012. For Equivalent Resident Factor, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Capital outlay costs are assumed to be non-recurring.

(e) Community development costs (i.e., planning , code enforcement and building & safety costs) are assumed to be offset by fees and charges.

(f) Public services includes engineering, public works, and park costs. The FIA assumes Project will have a de minimis impact on these costs.

Oakbrook Village Fiscal Impact Analysis
Exhibit 2 - Phase 1
Table 1 - Fiscal Impact Analysis Summary
October 4, 2012

<u>I. GENERAL FUND</u>	<u>Table</u>	<u>Buildout</u>	<u>Percent</u>
	<u>Ref.</u>		<u>of Total</u>
A. Recurring Revenues			
Property Tax	5	\$ 35,348	6.7%
Property Transfer Tax	5	3,519	0.7%
Property Tax In Lieu of VLF	7	39,354	7.4%
Property Tax In Lieu of Sales Tax	5	92,442	17.5%
Off-Site Sales and Use Tax	6	40,164	7.6%
On-Site Sales and Use Tax	6	275,989	52.1%
Franchise Taxes	7	20,017	3.8%
Intergovernmental Revenue	7	2,062	0.4%
Licenses and Permits	7	-	0.0%
Charges for Services	7	13,023	2.5%
Fines & Forfeitures	7	7,395	1.4%
Total Recurring Revenues		\$ 529,313	100.0%
B. Recurring Costs			
Council/Manager	8	\$ 7,817	5.2%
City Clerk	8	2,814	1.9%
Administrative Services	8	9,675	6.4%
Information Technology	8	1,723	1.1%
Community Development	8	-	0.0%
Public Services	8	29,655	19.7%
Community Services	8	14,262	9.5%
Public Safety	8	84,931	56.3%
Total Recurring Costs		\$ 150,875	100.0%
General Fund Surplus/(Deficit)		\$ 378,438	

Footnotes:

(a) Hypothetical decrease in revenue to illustrate more conservative scenarios.

Oakbrook Village Fiscal Impact Analysis
Exhibit 2 - Phase 1
Table 2 - Land Use Plan and Assessed Value Calculations
October 4, 2012

			Existing				Phase 1				Phase 1 & Phase 2			
Building Removal			Bldg	FY 2011-12 AV			Bldg	FY 2011-12 AV			Bldg	FY 2011-12 AV		
Building	Phase 1	Phase 2	Sq. Ft	Land	Build-Imp	Total AV	Sq. Ft	Land	Build-Imp	Total AV	Sq. Ft	Land	Build-Imp	Total AV
I. Retail			(a)	(b)	(b)		(a)	(b)	(b)		(a)	(b)	(b)	
A. Existing Buildings														
A	N	N	33,000	\$ 252,586	\$ 2,975,081	\$ 3,227,667	33,000	\$ 252,586	\$ 2,975,081	\$ 3,227,667	33,000	\$ 252,586	\$ 2,975,081	\$ 3,227,667
B	N	Y	5,100	63,144	331,661	394,805	5,100	63,144	331,661	394,805	-	63,144	-	63,144
C	N	Y	5,510	63,143	485,638	548,781	5,510	63,143	485,638	548,781	-	63,143	-	63,143
D	N	N	7,800	126,291	1,182,687	1,308,978	7,800	126,291	1,182,687	1,308,978	7,800	126,291	1,182,687	1,308,978
E	N	N	9,500	189,440	991,681	1,181,121	9,500	189,440	991,681	1,181,121	9,500	189,440	991,681	1,181,121
F	N	N	-	63,139	-	63,139	-	63,139	-	63,139	-	63,139	-	63,139
G	Y	Y	6,000	63,146	495,829	558,975	-	63,146	-	63,146	-	63,146	-	63,146
H	N	N	25,126	252,586	2,345,610	2,598,196	25,126	252,586	2,345,610	2,598,196	25,126	252,586	2,345,610	2,598,196
I	Y	Y	50,000	189,441	2,644,513	2,833,954	-	189,441	-	189,441	-	189,441	-	189,441
J	Y	Y	3,350	63,144	12,648	75,792	-	63,144	-	63,144	-	63,144	-	63,144
K	N	N	-	189,438	-	189,438	-	189,438	-	189,438	-	189,438	-	189,438
L	Y	Y	2,500	63,145	330,550	393,695	-	63,145	-	63,145	-	63,145	-	63,145
M	Y	Y	3,750	24,628	406,803	431,431	-	24,628	-	24,628	-	24,628	-	24,628
N	Y	Y	15,480	101,662	1,679,284	1,780,946	-	101,662	-	101,662	-	101,662	-	101,662
O	N	N	-	4,420,303	-	4,420,303	-	4,420,303	-	4,420,303	-	4,420,303	-	4,420,303
P	N	Y	16,240	126,294	1,365,262	1,491,556	16,240	126,294	1,365,262	1,491,556	-	126,294	-	126,294
Q	N	Y	5,950	63,146	521,428	584,574	5,950	63,146	521,428	584,574	-	63,146	-	63,146
Total			189,306	\$ 6,314,676	\$ 15,768,675	\$ 22,083,351	108,226	\$ 6,314,676	\$ 10,199,048	\$ 16,513,724	75,426	\$ 6,314,676	\$ 7,495,059	\$ 13,809,735

B. New Retail	Building Value			Sq. Ft	Building Value			Sq. Ft	Building Value			Sq. Ft	Building Value		
	per Sq. Ft.				per Sq. Ft.				per Sq. Ft.				per Sq. Ft.		
Pad 1	-	\$ 150.00	\$ -	7,600	-	\$ 150.00	\$ 1,140,000	7,600	-	\$ 150.00	\$ 1,140,000	7,600	-	\$ 150.00	\$ 1,140,000
Pad 2	-	150.00	-	7,374	-	150.00	1,106,100	7,374	-	150.00	1,106,100	7,374	-	150.00	1,106,100
New Shops 1	-	150.00	-	9,000	-	150.00	1,350,000	9,000	-	150.00	1,350,000	9,000	-	150.00	1,350,000
New Shops 2	-	150.00	-	-	-	150.00	-	25,600	-	150.00	3,840,000	25,600	-	150.00	3,840,000
Total	-		\$ -	23,974			\$ 3,596,100	49,574	25,600		\$ 7,436,100				\$ 7,436,100
C. Total Existing & New															
			189,306		\$ 22,083,351	132,200		\$ 20,109,824	125,000		\$ 21,245,835				

II. Multi-Family	Building Value				Units	Building Value				Units	Building Value				
	Sq. Ft.	per Sq. Ft.	Total	Sq. Ft.		per Sq. Ft.	Total	Sq. Ft.	per Sq. Ft.		Total				
(a)	(a)	(c)		(a)	(a)	(c)		(a)	(a)	(c)		(a)	(a)	(c)	
-	-	\$ 175.00	\$ -	289	261,140	\$ 175.00	\$ 45,699,500	489	441,680	\$ 175.00	\$ 77,294,000				
III. Total Assessed Value															
				\$ 22,083,351			\$ 65,809,324				\$ 98,539,835				

Footnotes:

(a) Per information provided by Milan Capital, dated May 2012.

(b) Per FY2011-12 tax bills.

(c) Preliminary estimate for illustration purposes.

Oakbrook Village Fiscal Impact Analysis

Exhibit 2 - Phase 1

Table 3 - Population, Employment & Household Income Calculations

October 4, 2012

I. Population	Sq. Ft. Per Unit	Units	Sq. Ft.	PPH	Project Residents
Phase 1:	(a)	(a)		(b)	
1 Bedroom	714	160	114,240	1.30	208
2 Bedroom	1,100	129	141,900	2.29	295
Clubhouse			5,000		-
Total Phase 1	904	289	261,140		503
Phase 2					
1 Bedroom	714	110	78,540	1.30	143
2 Bedroom	1,100	90	99,000	2.29	206
Clubhouse			3,000		
Total Phase 2	903	200	180,540		349
Total Phase 1 & Phase 2		489	441,680		853
II. Employment			Sq. Ft.	Sq. Ft. per Employee	Employees
			(a)	(c)	
Existing			189,306	450	421
Phase 1			132,200	450	294
Phase 1 & Phase 2			125,000	450	278
III. Population & Employment Summary (Active Scenario)					
Units					289
Residents					503
Employees					294
Equivalent Residents @ 50% of Employees					147
Total Equivalent Residents					650
IV. Household Income	Rent per Sq. Ft.	Sq. Ft. Per Unit	Annual Rent	Household Income Per Unit @ 25%	Total Household Income
Phase 1	(d)			(e)	
1 Bedroom	\$ 1.92	714	\$ 16,451	\$ 65,802	\$ 10,528,358
2 Bedroom	1.77	1,100	23,364	93,456	12,055,824
Total Phase 1					\$ 22,584,182
Phase 2					
1 Bedroom	\$ 1.92	714	\$ 16,451	\$ 65,802	\$ 7,238,246
2 Bedroom	1.77	1,100	23,364	93,456	8,411,040
Total Phase 2					\$ 15,649,286
Total Phase 1 & Phase 2					\$ 38,233,469

Footnotes:

- (a) Per information provided by client.
 (b) Per DPFG research.
 (c) Per DPFG research.
 (d) Per October 2011 Rent Survey prepared by client.
 (e) Per DPFG research.

Oakbrook Village Fiscal Impact Analysis
Exhibit 2 - Phase 1
Table 4 - Post-ERAF Share of the Basic Tax Calculation
October 4, 2012

Agency	Tax Rate Area 31-021
	(a)
City of Laguna Hills	5.3713%
El Toro Water District - General Fund	1.1205%
Orange County Vector Control District	0.1194%
OC Fire Authority - General Fund	12.0162%
Orange County Transit Authority	0.3000%
Saddleback Valley Unified General Fund	48.4563%
South Orange County Community College District-General Fund	9.4636%
OC Department of Education-General Fund	1.7441%
Orange County General Fund	3.7629%
Orange County Public Library	1.7825%
OC Flood Control District	2.1141%
OC Parks CSA 126	1.6341%
Educational Revenue Augmentation Fund	12.0619%
Orange County Cemetery Fund-General	0.0531%
Total	1.0000%

Footnotes:

Source: Orange County Auditor-Controller's Office.

- (a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13.

Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax for the TRA applicable to the Project.

Oakbrook Village Fiscal Impact Analysis
Exhibit 2 - Phase 1
Table 5 - Property Tax Calculations
October 4, 2012

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	2	\$	65,809,324
Basic Rate			1.000%
Basic Tax Paid		\$	658,093
General Fund Share of Basic Tax (a)	3		5.37%
Total Property Tax Revenue		\$	35,348
II. Property Transfer Tax			
Residential Assessed Value	2	\$	45,699,500
Residential Turnover Rate (b)			14.00%
Value of Annual Turnover		\$	6,397,930
Transfer Tax Rate (c)			0.0550%
Total Property Transfer Tax	[1]+[2]	\$	3,519
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (d)	5	\$	11,744
On-Site Sales Tax Redirected to Property Tax (d)	5		80,698
Total Property Tax In-Lieu of Sales Tax		\$	92,442

Footnotes:

- (a) Per information provided by the City of Laguna Hills.
- (b) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.
- (c) The County may levy a transfer tax at the rate of \$0.55 for each \$500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of \$0.55 per \$1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.
- (d) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5. As of June 2009, the Department of Finance estimates Proposition 57, or the Economic Recovery Bond Act authorizing the Triple Flip, will continue until all of the bonds are retired in Spring 2016. The final bond maturity is in July 2023 for the 2009 bonds.

Oakbrook Village Fiscal Impact Analysis
Exhibit 2 - Phase 1
Table 6 - Sales and Use Tax Calculations
October 4, 2012

I. Off-Site Sales Tax Revenue

		Per Unit	Amount
Household Income (See Table 2)		\$ 78,146	\$ 22,584,182
Retail Taxable Sales @32% of Household Income (a)	32.0%	25,007	7,226,938
Projected Taxable Sales Captured in City @65% of Taxable Sales (b)	65.0%	16,254	4,697,510
Sales Tax @1.00% of taxable sales	1.00%	163	\$ 46,975
Use Tax @10.50% of sales tax	10.50%	17	4,932
Less 0.25% Reclassified to Property Taxes (c)	0.25%	(41)	(11,744)
Total Off-Site Sales Tax Revenue		\$ 139	\$ 40,164

II. On-Site Sales Tax Revenue

	Existing	Phase 1	Phase 1 & Phase 2	Active Scenario
Existing Taxable Sales				
Remaining Tenants	\$ 24,717,595	\$ 24,717,595	\$ 24,717,595	\$ 24,717,595
Tenants Leaving	78,305	-	-	-
Total Existing Taxable Sales	\$ 24,795,900	\$ 24,717,595	\$ 24,717,595	\$ 24,717,595
New Tenants				
New Tenants (Sq. Ft.)	-	25,206	18,366	25,206
Taxable Sales Per Sq. Ft.	\$ -	\$ 300	\$ 300	\$ 300
Total New Tenants Taxable Sales	\$ -	\$ 7,561,800	\$ 5,509,800	\$ 7,561,800
Total Taxable Sales	\$ 24,795,900	\$ 32,279,395	\$ 30,227,395	\$ 32,279,395
Total Taxable Sales				\$ 32,279,395
Sales Tax @1% of taxable sales			1.00%	322,794
Use Tax @10.50% of sales tax			10.50%	33,893
Less 0.25% Reclassified to Property Taxes (c)			0.25%	(80,698)
Total On-Site Sales Tax Revenue				\$ 275,989

Footnotes:

- (a) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.
- (b) Preliminary estimate for illustration purposes.
- (c) 0.25% of sales tax is redirected to property tax per the Triple Flip.

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 2 - Phase 1
Table 7 - General Fund Revenue Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
Property Taxes									
Secured, Unsecured & Other	II-5	\$ 5,585,928	100%	-----	-----	See Table 4	-----	-----	-----
Interest & Penalties	II-5	52,212	100%	52,212	PER	43,968	1.19	650	772
Miscellaneous Prior Years	II-5	218,228	0%	-----	-----	See Footnote (d)	-----	-----	-----
Property Transfer Taxes	II-5	193,800	100%	-----	-----	See Table 4	-----	-----	-----
Property Taxes In-Lieu of VLF	II-5	2,393,552	100%	2,393,552	PC	30,618	78.17	503	39,354
Total Property Taxes		\$ 8,443,720		\$ 2,445,764			\$ 79.36		\$ 40,126
Franchise Taxes									
Utility Franchise Fees									
Cable TV	II-5	\$ 530,400	100%	\$ 530,400	PC	30,618	\$ 17.32	503	\$ 8,721
San Diego Gas & Electric	II-5	228,480	100%	228,480	PER	43,968	5.20	650	3,379
Southern California Edison	II-5	194,820	100%	194,820	PER	43,968	4.43	650	2,881
Southern California Gas Co.	II-5	70,351	100%	70,351	PER	43,968	1.60	650	1,041
Subtotal Utility Franchise Fees		<u>\$ 1,024,051</u>		<u>\$ 1,024,051</u>			<u>\$ 28.55</u>		<u>\$ 16,022</u>
Waste Disposal/Recycling Fees									
Waste Haulers	II-5	\$ 270,119	100%	\$ 270,119	PER	43,968	\$ 6.14	650	\$ 3,995
Subtotal Waste Disposal/Recycling Fees		<u>\$ 270,119</u>		<u>\$ 270,119</u>			<u>\$ 6.14</u>		<u>\$ 3,995</u>
Transient Occupancy Taxes	II-5	\$ 950,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Total Franchise Taxes		\$ 2,244,170		\$ 1,294,170			\$ 34.69		\$ 20,017
Intergovernmental Revenues									
Sales & Use Tax	II-5	\$ 5,490,497	100%	-----	-----	See Table 5	-----	-----	-----
Motor Vehicle in Lieu	II-5	125,439	100%	125,439	PC	30,618	4.10	503	2,062
Total Intergovernmental Revenues		\$ 5,615,936		\$ 125,439			\$ 4.10		\$ 2,062
Licenses and Permits									
Building Licenses & Permits									
Building Permits	II-5	\$ 432,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Plan Check Fees	II-5	69,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Plan Check Fees -Fee /based	II-5	231,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Fire Fees	II-5	8,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Imaging Plans and Documents Fee	II-5	35,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Subtotal Building Licenses & Permits		<u>\$ 775,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Engineering Fees									
Transportation Permit	II-5	\$ 2,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Grading Permit	II-5	4,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Encroachment Permit	II-5	23,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Traffic Permit & License	II-5	1,600	0%	-----	-----	See Footnote (e)	-----	-----	-----
Sub-total Engineering Permits		<u>\$ 30,600</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Total Licenses and Permits		\$ 805,600		\$ -			\$ -		\$ -
Charges for Current Services									
Recreation Fees									
Fees- Programs	II-6	\$ 410,000	100%	\$ 410,000	PC	30,618	\$ 13.39	503	\$ 6,741
Fees - Facility Reservation	II-6	215,000	100%	215,000	PC	30,618	7.02	503	3,535
Fees - Special Events	II-6	5,000	100%	5,000	PC	30,618	0.16	503	82
Fees-5K Registrations	II-6	132,050	100%	132,050	PC	30,618	4.31	503	2,171
Fees-5K Sponsorships	II-6	30,000	100%	30,000	PC	30,618	0.98	503	493
Subtotal Recreation Fees		<u>\$ 792,050</u>		<u>\$ 792,050</u>			<u>\$ 25.87</u>		<u>\$ 13,023</u>
Development Services Fees									
Planning and Zoning Fees	II-6	\$ 142,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Improvement Inspect	II-6	36,500	0%	-----	-----	See Footnote (e)	-----	-----	-----
Grading Plan Check	II-6	1,500	0%	-----	-----	See Footnote (e)	-----	-----	-----
Subtotal Development Services Fees		<u>\$ 180,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Leases and Rental Fees									
Cell Tower Lease	II-6	\$ 77,563	0%	-----	-----	See Footnote (d)	-----	-----	-----
Library Lease	II-6	48,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Subtotal Leases and Rental Fees		<u>\$ 125,563</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 2 - Phase 1
Table 7 - General Fund Revenue Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
Other Service Charges									
Sale of Publications/Maps	II-6	\$ 7,000	0%	-----		See Footnote (d)	-----		
Subtotal Other Service Charges		<u>\$ 7,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Miscellaneous Operating Revenues		\$ 13,000	0%	-----		See Footnote (d)	-----		
Total Charges for Services		<u>\$ 1,117,613</u>		<u>\$ 792,050</u>			<u>\$ 25.87</u>		<u>\$ 13,023</u>
Fines and Forfeitures									
Vehicle Code Fines	II-6	\$ 393,000	100%	\$ 393,000	PER	43,968	\$ 8.94	650	\$ 5,813
Parking Revenues	II-6	79,000	100%	79,000	PER	43,968	1.80	650	1,168
Court Fines	II-6	13,000	100%	13,000	PER	43,968	0.30	650	192
Abandoned Vehicle Abatement	II-6	15,000	100%	15,000	PER	43,968	0.34	650	222
Total Fines and Forfeitures		<u>\$ 500,000</u>		<u>\$ 500,000</u>			<u>\$ 11.37</u>		<u>\$ 7,395</u>
Total General Fund Revenues		<u>\$ 18,727,039</u>		<u>\$ 5,157,423</u>			<u>\$ 155.39</u>		<u>\$ 82,623</u>

Footnotes:

(a) Per City of Laguna Hills Biennial Budget FY2011-2012 - FY2012-13.

(b) "PC"= Per Capita and "PER" = Equivalent Resident.

(c) Total population of 30,618 per the California Dept. of Finance as of January 2012. Total employment of 26,700 per the California Employment Development Department as of March 2012. For Equivalent Resident Factor, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Assumes Project will have a de minimis impact on these revenue sources.

(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 2 - Phase 1
Table 8 - General Fund Cost Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
Council/Manager	(a)	(a)			(b)	(c)			
Personnel	II-14	\$ 652,106	50%	\$ 326,053	PER	43,968	\$ 7.42	650	\$ 4,822
Maintenance and Operation	II-14	60,075	50%	30,038	PER	43,968	0.68	650	444
Contract Services	II-14	344,800	50%	172,400	PER	43,968	3.92	650	2,550
Capital Outlay -	II-14	-	0%			See Footnote (d)			
Total Council/Manager		\$ 1,056,981		\$ 528,491			\$ 12.02		\$ 7,817
Clerk									
Personnel	II-14	\$ 335,368	50%	\$ 167,684	PER	43,968	\$ 3.81	650	\$ 2,480
Maintenance and Operation	II-14	22,580	50%	11,290	PER	43,968	0.26	650	167
Contract Services	II-14	22,575	50%	11,288	PER	43,968	0.26	650	167
Capital Outlay	II-14	-	0%			See Footnote (d)			
Total Clerk		\$ 380,523		\$ 190,262			\$ 4.33		\$ 2,814
Administrative Services									
Personnel	II-14	\$ 800,797	50%	\$ 400,399	PER	43,968	\$ 9.11	650	\$ 5,922
Maintenance and Operation	II-14	378,260	50%	189,130	PER	43,968	4.30	650	2,797
Contract Services	II-14	129,250	50%	64,625	PER	43,968	1.47	650	956
Capital Outlay	II-14	3,500	0%			See Footnote (d)			
Total Administrative Services		\$ 1,311,807		\$ 654,154			\$ 14.88		\$ 9,675
Information Technology									
Personnel	II-14	\$ 49,340	50%	\$ 24,670	PER	43,968	\$ 0.56	650	\$ 365
Maintenance and Operation	II-14	25,908	50%	12,954	PER	43,968	0.29	650	192
Contract Services	II-14	157,687	50%	78,844	PER	43,968	1.79	650	1,166
Capital Outlay	II-14	38,485	0%			See Footnote (d)			
Total Information Technology		\$ 271,420		\$ 116,468			\$ 2.65		\$ 1,723
Community Development									
Personnel	II-14	\$ 934,086	0%			See Footnote (e)			
Maintenance and Operation	II-14	19,200	0%			See Footnote (e)			
Contract Services	II-14	410,000	0%			See Footnote (e)			
Capital Outlay	II-14	-	0%			See Footnote (e)			
Total Community Development		\$ 1,363,286		\$ -			\$ -		\$ -
Public Services									
Personnel									
Salaries - Full Time	III-33	\$ 512,819	0%			See Footnote (f)			
Auto Allowance	III-33	7,800	0%			See Footnote (f)			
Medicare	III-33	7,548	0%			See Footnote (f)			
Retirement	III-33	142,020	0%			See Footnote (f)			
Health Insurance	III-33	73,716	0%			See Footnote (f)			
Group Life	III-33	1,257	0%			See Footnote (f)			
Workers Comp & SUI	III-33	3,722	0%			See Footnote (f)			
Disability Insurance	III-33	3,313	0%			See Footnote (f)			
Subtotal Personnel		\$ 752,195		\$ -			\$ -		\$ -
Maintenance & Operations									
Memberships and Dues	III-33	\$ 1,900	0%			See Footnote (f)			
Training and Education	III-33	6,100	0%			See Footnote (f)			
Mileage Reimbursement	III-33	400	0%			See Footnote (f)			
Vehicle - fuel	III-33	9,000	0%			See Footnote (f)			
Computer Supplies	III-33	1,500	0%			See Footnote (f)			
Operating Supplies	III-33	10,500	0%			See Footnote (f)			
Printing	III-33	500	0%			See Footnote (f)			
Subscriptions & Books	III-33	250	0%			See Footnote (f)			
Telephone & Communication	III-33	4,000	0%			See Footnote (f)			
Utilities - Electric	III-33	105,000	0%			See Footnote (f)			
Electric - St. Light/Signal	III-33	390,000	0%			See Footnote (f)			
Utilities - Water	III-33	285,000	0%			See Footnote (f)			
Rent/Lease Facility	III-33	3,600	0%			See Footnote (f)			
Maintenance & Repair - Equip/Mac	III-33	-	0%			See Footnote (f)			
Maintenance & Repair - Vehicle	III-33	2,000	0%			See Footnote (f)			
Subtotal Maintenance & Operations		\$ 819,750		\$ -			\$ -		\$ -

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 2 - Phase 1
Table 8 - General Fund Cost Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
Contractual Services									
Professional Services	III-33	\$ 15,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Computer Consulting Services	III-33	10,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
City Engineer	III-33	43,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Traffic Engineer	III-33	60,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
On-Call Engineer	III-33	7,500	0%	-----	-----	See Footnote (f)	-----	-----	-----
Improvement Inspection	III-33	55,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
County EMA - Street Main.	III-33	640,000	100%	640,000	PER	43,968	14.56	650	9,466
Street Sweeping	III-33	125,000	100%	125,000	PER	43,968	2.84	650	1,849
Traffic Signal Maint.	III-33	120,000	100%	120,000	PER	43,968	2.73	650	1,775
Graffiti Removal	III-33	25,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Land. Maint. Contract	III-33	1,120,000	100%	1,120,000	PER	43,968	25.47	650	16,565
Parks Contract Repair	III-33	134,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Ann. Backflow Device Cert.	III-33	-	0%	-----	-----	See Footnote (f)	-----	-----	-----
Ann. Weed Abatement Pro.	III-33	40,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Cont. Serv. - Janitorial	III-33	44,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Subtotal Contractual Services		<u>\$ 2,438,500</u>		<u>\$ 2,005,000</u>			<u>\$ 45.60</u>		<u>\$ 29,655</u>
Capital Outlay									
Vehicles	III-33	\$ -	0%	-----	-----	See Footnote (d)	-----	-----	-----
Equipment	III-33	10,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Subtotal Capital Outlay		<u>\$ 10,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Total Public Services		<u>\$ 4,020,445</u>		<u>\$ 2,005,000</u>			<u>\$ 45.60</u>		<u>\$ 29,655</u>
Community Services									
Personnel	II-14	\$ 1,002,012	50%	\$ 501,006	PC	30,618	\$ 16.36	503	\$ 8,237
Maintenance and Operation	II-14	526,335	50%	263,168	PC	30,618	8.60	503	4,327
Contract Services	II-14	206,500	50%	103,250	PC	30,618	3.37	503	1,698
Capital Outlay	II-14	23,500	0%	-----	-----	See Footnote (d)	-----	-----	-----
Total Community Services		<u>\$ 1,758,347</u>		<u>\$ 867,424</u>			<u>\$ 28.33</u>		<u>\$ 14,262</u>
Public Safety									
Maintenance and Operations									
Memberships and Dues	III-45	\$ 300	100%	\$ 300	PER	43,968	\$ 0.01	650	\$ 4
Training and Education	III-45	800	100%	800	PER	43,968	0.02	650	12
Vehicle - Fuel	III-45	5,000	100%	5,000	PER	43,968	0.11	650	74
Computer Supplies	III-45	2,000	100%	2,000	PER	43,968	0.05	650	30
Operating Supplies	III-45	3,300	100%	3,300	PER	43,968	0.08	650	49
Maintenance & Repair	III-45	16,000	100%	16,000	PER	43,968	0.36	650	237
Maintenance & Repair	III-45	19,450	100%	19,450	PER	43,968	0.44	650	288
Comm. Events/Public Relations	III-45	500	100%	500	PER	43,968	0.01	650	7
Subtotal Maintenance & Operations		<u>\$ 47,350</u>		<u>\$ 47,350</u>			<u>\$ 1.08</u>		<u>\$ 700.32</u>
Contractual Services									
Professional Services	III-45	\$ 22,000	100%	\$ 22,000	PER	43,968	\$ 0.50	650	\$ 325
Contract Services	III-45	93,769	100%	93,769	PER	43,968	2.13	650	1,387
County Service	III-45	37,500	100%	37,500	PER	43,968	0.85	650	555
General Law Enforcement	III-45	4,525,702	100%	4,525,702	PER	43,968	102.93	650	66,936
Traffic Enforcement	III-45	992,214	50%	496,107	PER	43,968	11.28	650	7,338
Supervision & Admin.	III-45	1,039,808	50%	519,904	PER	43,968	11.82	650	7,690
Subtotal Contractual Services		<u>\$ 6,710,993</u>		<u>\$ 5,694,982</u>			<u>\$ 129.53</u>		<u>\$ 84,230</u>
Capital Outlay									
Vehicles	III-45	\$ -	0%	-----	-----	See Footnote (d)	-----	-----	-----
Furniture	III-45	2,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Subtotal Capital Outlay		<u>\$ 2,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Total Public Safety		<u>\$ 6,760,343</u>		<u>\$ 5,742,332</u>			<u>\$ 130.60</u>		<u>\$ 84,931</u>
Total Operating Expenditures		<u>\$ 16,923,152</u>		<u>\$ 10,104,129</u>			<u>\$ 238.41</u>		<u>\$ 150,875</u>

Footnotes:

(a) Per City of Laguna Hills Biennial Budget FY2011-2012 - FY2012-13.

(b) "PC"= Per Capita and "PER" = Equivalent Resident.

(c) Total population of 30,618 per the California Dept. of Finance as of January 2012. Total employment of 26,700 per the California Employment Development Department as of March 2012. For Equivalent Resident Factor, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Capital outlay costs are assumed to be non-recurring.

(e) Community development costs (i.e., planning , code enforcement and building & safety costs) are assumed to be offset by fees and charges.

(f) Public services includes engineering, public works, and park costs. The FIA assumes Project will have a de minimis impact on these costs.

Oakbrook Village Fiscal Impact Analysis
Exhibit 3 - Phase 1 & Phase 2
Table 1 - Fiscal Impact Analysis Summary
October 4, 2012

<u>I. GENERAL FUND</u>	<u>Table</u>	<u>Buildout</u>	<u>Percent</u>
	<u>Ref.</u>		<u>of Total</u>
A. Recurring Revenues			
Property Tax	5	\$ 52,929	8.6%
Property Transfer Tax	5	5,952	1.0%
Property Tax In Lieu of VLF	7	66,645	10.8%
Property Tax In Lieu of Sales Tax	5	95,450	15.5%
Off-Site Sales and Use Tax	6	67,994	11.0%
On-Site Sales and Use Tax	6	258,444	41.9%
Franchise Taxes	7	31,990	5.2%
Intergovernmental Revenue	7	3,493	0.6%
Licenses and Permits	7	-	0.0%
Charges for Services	7	22,053	3.6%
Fines & Forfeitures	7	11,274	1.8%
Total Recurring Revenues		\$ 616,224	100.0%
B. Recurring Costs			
Council/Manager	8	\$ 11,917	5.1%
City Clerk	8	4,290	1.8%
Administrative Services	8	14,750	6.3%
Information Technology	8	2,626	1.1%
Community Development	8	-	0.0%
Public Services	8	45,209	19.5%
Community Services	8	24,152	10.4%
Public Safety	8	129,479	55.7%
Total Recurring Costs		\$ 232,423	100.0%
General Fund Surplus/(Deficit)		\$ 383,801	

Footnotes:

(a) Hypothetical decrease in revenue to illustrate more conservative scenarios.

Oakbrook Village Fiscal Impact Analysis
Exhibit 3 - Phase 1 & Phase 2
Table 2 - Land Use Plan and Assessed Value Calculations
October 4, 2012

Building Removal			Existing				Phase 1				Phase 1 & Phase 2			
Building	Phase 1	Phase 2	Bldg	FY 2011-12 AV			Bldg	FY 2011-12 AV			Bldg	FY 2011-12 AV		
			Sq. Ft	Land	Build-Imp	Total AV	Sq. Ft	Land	Build-Imp	Total AV	Sq. Ft	Land	Build-Imp	Total AV
I. Retail			(a)	(b)	(b)		(a)	(b)	(b)		(a)	(b)	(b)	
A. Existing Buildings														
A	N	N	33,000	\$ 252,586	\$ 2,975,081	\$ 3,227,667	33,000	\$ 252,586	\$ 2,975,081	\$ 3,227,667	33,000	\$ 252,586	\$ 2,975,081	\$ 3,227,667
B	N	Y	5,100	63,144	331,661	394,805	5,100	63,144	331,661	394,805	-	63,144	-	63,144
C	N	Y	5,510	63,143	485,638	548,781	5,510	63,143	485,638	548,781	-	63,143	-	63,143
D	N	N	7,800	126,291	1,182,687	1,308,978	7,800	126,291	1,182,687	1,308,978	7,800	126,291	1,182,687	1,308,978
E	N	N	9,500	189,440	991,681	1,181,121	9,500	189,440	991,681	1,181,121	9,500	189,440	991,681	1,181,121
F	N	N	-	63,139	-	63,139	-	63,139	-	63,139	-	63,139	-	63,139
G	Y	Y	6,000	63,146	495,829	558,975	-	63,146	-	63,146	-	63,146	-	63,146
H	N	N	25,126	252,586	2,345,610	2,598,196	25,126	252,586	2,345,610	2,598,196	25,126	252,586	2,345,610	2,598,196
I	Y	Y	50,000	189,441	2,644,513	2,833,954	-	189,441	-	189,441	-	189,441	-	189,441
J	Y	Y	3,350	63,144	12,648	75,792	-	63,144	-	63,144	-	63,144	-	63,144
K	N	N	-	189,438	-	189,438	-	189,438	-	189,438	-	189,438	-	189,438
L	Y	Y	2,500	63,145	330,550	393,695	-	63,145	-	63,145	-	63,145	-	63,145
M	Y	Y	3,750	24,628	406,803	431,431	-	24,628	-	24,628	-	24,628	-	24,628
N	Y	Y	15,480	101,662	1,679,284	1,780,946	-	101,662	-	101,662	-	101,662	-	101,662
O	N	N	-	4,420,303	-	4,420,303	-	4,420,303	-	4,420,303	-	4,420,303	-	4,420,303
P	N	Y	16,240	126,294	1,365,262	1,491,556	16,240	126,294	1,365,262	1,491,556	-	126,294	-	126,294
Q	N	Y	5,950	63,146	521,428	584,574	5,950	63,146	521,428	584,574	-	63,146	-	63,146
Total			189,306	\$ 6,314,676	\$ 15,768,675	\$ 22,083,351	108,226	\$ 6,314,676	\$ 10,199,048	\$ 16,513,724	75,426	\$ 6,314,676	\$ 7,495,059	\$ 13,809,735

B. New Retail	Building Value			Sq. Ft	Building Value			Sq. Ft	Building Value			Sq. Ft	Building Value		
	per Sq. Ft.				per Sq. Ft.				per Sq. Ft.						
Pad 1	-	\$ 150.00	\$ -	7,600	-	\$ 150.00	\$ 1,140,000	7,600	-	\$ 150.00	\$ 1,140,000	7,600	-	\$ 150.00	\$ 1,140,000
Pad 2	-	150.00	-	7,374	-	150.00	1,106,100	7,374	-	150.00	1,106,100	7,374	-	150.00	1,106,100
New Shops 1	-	150.00	-	9,000	-	150.00	1,350,000	9,000	-	150.00	1,350,000	9,000	-	150.00	1,350,000
New Shops 2	-	150.00	-	-	-	150.00	-	25,600	-	150.00	3,840,000	25,600	-	150.00	3,840,000
Total	-		\$ -	23,974			\$ 3,596,100	49,574	25,600		\$ 7,436,100				\$ 7,436,100
C. Total Existing & New				189,306		\$ 22,083,351	132,200			\$ 20,109,824	125,000				\$ 21,245,835

II. Multi-Family	Building Value				Units	Building Value				Units	Building Value				
	Sq. Ft.	per Sq. Ft.	Total	Sq. Ft.		per Sq. Ft.	Total	Sq. Ft.	per Sq. Ft.		Total				
(a)	(a)	(c)		(a)	(a)	(c)		(a)	(a)	(c)		(a)	(a)	(c)	
-	-	\$ 175.00	\$ -	289	261,140	\$ 175.00	\$ 45,699,500	489	441,680	\$ 175.00	\$ 77,294,000				
III. Total Assessed Value			\$ 22,083,351			\$ 65,809,324					\$ 98,539,835				

Footnotes:

(a) Per information provided by Milan Capital, dated May 2012.

(b) Per FY2011-12 tax bills.

(c) Preliminary estimate for illustration purposes.

Oakbrook Village Fiscal Impact Analysis
Exhibit 3 - Phase 1 & Phase 2
Table 3 - Population, Employment & Household Income Calculations
October 4, 2012

I. Population	Sq. Ft. Per Unit	Units	Sq. Ft.	PPH	Project Residents
Phase 1:	(a)	(a)		(b)	
1 Bedroom	714	160	114,240	1.30	208
2 Bedroom	1,100	129	141,900	2.29	295
Clubhouse			5,000		-
Total Phase 1	904	289	261,140		503
Phase 2					
1 Bedroom	714	110	78,540	1.30	143
2 Bedroom	1,100	90	99,000	2.29	206
Clubhouse			3,000		
Total Phase 2	903	200	180,540		349
Total Phase 1 & Phase 2		489	441,680		853
II. Employment			Sq. Ft.	Sq. Ft. per Employee	Employees
			(a)	(c)	
Existing			189,306	450	421
Phase 1			132,200	450	294
Phase 1 & Phase 2			125,000	450	278
III. Population & Employment Summary (Active Scenario)					
Units					489
Residents					853
Employees					278
Equivalent Residents @ 50% of Employees					139
Total Equivalent Residents					991
IV. Household Income	Rent per Sq. Ft.	Sq. Ft. Per Unit	Annual Rent	Household Income Per Unit @ 25%	Total Household Income
Phase 1	(d)			(e)	
1 Bedroom	\$ 1.92	714	\$ 16,451	\$ 65,802	\$ 10,528,358
2 Bedroom	1.77	1,100	23,364	93,456	12,055,824
Total Phase 1					\$ 22,584,182
Phase 2					
1 Bedroom	\$ 1.92	714	\$ 16,451	\$ 65,802	\$ 7,238,246
2 Bedroom	1.77	1,100	23,364	93,456	8,411,040
Total Phase 2					\$ 15,649,286
Total Phase 1 & Phase 2					\$ 38,233,469

Footnotes:

- (a) Per information provided by client.
(b) Per DPFG research.
(c) Per DPFG research.
(d) Per October 2011 Rent Survey prepared by client.
(e) Per DPFG research.

Oakbrook Village Fiscal Impact Analysis
Exhibit 3 - Phase 1 & Phase 2
Table 4 - Post-ERAF Share of the Basic Tax Calculation
October 4, 2012

Agency	Tax Rate Area 31-021
	(a)
City of Laguna Hills	5.3713%
El Toro Water District - General Fund	1.1205%
Orange County Vector Control District	0.1194%
OC Fire Authority - General Fund	12.0162%
Orange County Transit Authority	0.3000%
Saddleback Valley Unified General Fund	48.4563%
South Orange County Community College District-General Fund	9.4636%
OC Department of Education-General Fund	1.7441%
Orange County General Fund	3.7629%
Orange County Public Library	1.7825%
OC Flood Control District	2.1141%
OC Parks CSA 126	1.6341%
Educational Revenue Augmentation Fund	12.0619%
Orange County Cemetery Fund-General	0.0531%
Total	1.0000%

Footnotes:

Source: Orange County Auditor-Controller's Office.

- (a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13.

Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax for the TRA applicable to the Project.

Oakbrook Village Fiscal Impact Analysis
Exhibit 3 - Phase 1 & Phase 2
Table 5 - Property Tax Calculations
October 4, 2012

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	2	\$	98,539,835
Basic Rate			1.000%
Basic Tax Paid		\$	985,398
General Fund Share of Basic Tax (a)	3		5.37%
Total Property Tax Revenue		\$	52,929
II. Property Transfer Tax			
Residential Assessed Value	2	\$	77,294,000
Residential Turnover Rate (b)			14.00%
Value of Annual Turnover		\$	10,821,160
Transfer Tax Rate (c)			0.0550%
Total Property Transfer Tax	[1]+[2]	\$	5,952
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (d)	5	\$	19,881
On-Site Sales Tax Redirected to Property Tax (d)	5		75,568
Total Property Tax In-Lieu of Sales Tax		\$	95,450

Footnotes:

- (a) Per information provided by the City of Laguna Hills.
- (b) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.
- (c) The County may levy a transfer tax at the rate of \$0.55 for each \$500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of \$0.55 per \$1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.
- (d) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5. As of June 2009, the Department of Finance estimates Proposition 57, or the Economic Recovery Bond Act authorizing the Triple Flip, will continue until all of the bonds are retired in Spring 2016. The final bond maturity is in July 2023 for the 2009 bonds.

Oakbrook Village Fiscal Impact Analysis
Exhibit 3 - Phase 1 & Phase 2
Table 6 - Sales and Use Tax Calculations
October 4, 2012

I. Off-Site Sales Tax Revenue

		Per Unit	Amount
Household Income (See Table 2)		\$ 78,187	\$ 38,233,469
Retail Taxable Sales @32% of Household Income (a)	32.0%	25,020	12,234,710
Projected Taxable Sales Captured in City @65% of Taxable Sales (b)	65.0%	16,263	7,952,562
Sales Tax @1.00% of taxable sales	1.00%	163	\$ 79,526
Use Tax @10.50% of sales tax	10.50%	17	8,350
Less 0.25% Reclassified to Property Taxes (c)	0.25%	(41)	(19,881)
Total Off-Site Sales Tax Revenue		\$ 139	\$ 67,994

II. On-Site Sales Tax Revenue

	Existing	Phase 1	Phase 1 & Phase 2	Active Scenario
Existing Taxable Sales				
Remaining Tenants	\$ 24,717,595	\$ 24,717,595	\$ 24,717,595	\$ 24,717,595
Tenants Leaving	78,305	-	-	-
Total Existing Taxable Sales	\$ 24,795,900	\$ 24,717,595	\$ 24,717,595	\$ 24,717,595
New Tenants				
New Tenants (Sq. Ft.)	-	25,206	18,366	18,366
Taxable Sales Per Sq. Ft.	\$ -	\$ 300	\$ 300	\$ 300
Total New Tenants Taxable Sales	\$ -	\$ 7,561,800	\$ 5,509,800	\$ 5,509,800
Total Taxable Sales	\$ 24,795,900	\$ 32,279,395	\$ 30,227,395	\$ 30,227,395
Total Taxable Sales				\$ 30,227,395
Sales Tax @1% of taxable sales			1.00%	302,274
Use Tax @10.50% of sales tax			10.50%	31,739
Less 0.25% Reclassified to Property Taxes (c)			0.25%	(75,568)
Total On-Site Sales Tax Revenue				\$ 258,444

Footnotes:

- (a) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.
- (b) Preliminary estimate for illustration purposes.
- (c) 0.25% of sales tax is redirected to property tax per the Triple Flip.

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 3 - Phase 1 & Phase 2
Table 7 - General Fund Revenue Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
Property Taxes	(a)	(a)			(b)	(c)			
Secured, Unsecured & Other	II-5	\$ 5,585,928	100%	-----	-----	See Table 4	-----	-----	-----
Interest & Penalties	II-5	52,212	100%	52,212	PER	43,968	1.19	991	1,177
Miscellaneous Prior Years	II-5	218,228	0%	-----	-----	See Footnote (d)	-----	-----	-----
Property Transfer Taxes	II-5	193,800	100%	-----	-----	See Table 4	-----	-----	-----
Property Taxes In-Lieu of VLF	II-5	2,393,552	100%	2,393,552	PC	30,618	78.17	853	66,645
Total Property Taxes		\$ 8,443,720		\$ 2,445,764			\$ 79.36		\$ 67,822
Franchise Taxes									
Utility Franchise Fees									
Cable TV	II-5	\$ 530,400	100%	\$ 530,400	PC	30,618	\$ 17.32	853	\$ 14,768
San Diego Gas & Electric	II-5	228,480	100%	228,480	PER	43,968	5.20	991	5,152
Southern California Edison	II-5	194,820	100%	194,820	PER	43,968	4.43	991	4,393
Southern California Gas Co.	II-5	70,351	100%	70,351	PER	43,968	1.60	991	1,586
Subtotal Utility Franchise Fees		<u>\$ 1,024,051</u>		<u>\$ 1,024,051</u>			<u>\$ 28.55</u>		<u>\$ 25,899</u>
Waste Disposal/Recycling Fees									
Waste Haulers	II-5	\$ 270,119	100%	\$ 270,119	PER	43,968	\$ 6.14	991	\$ 6,091
Subtotal Waste Disposal/Recycling Fees		<u>\$ 270,119</u>		<u>\$ 270,119</u>			<u>\$ 6.14</u>		<u>\$ 6,091</u>
Transient Occupancy Taxes	II-5	\$ 950,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Total Franchise Taxes		\$ 2,244,170		\$ 1,294,170			\$ 34.69		\$ 31,990
Intergovernmental Revenues									
Sales & Use Tax	II-5	\$ 5,490,497	100%	-----	-----	See Table 5	-----	-----	-----
Motor Vehicle in Lieu	II-5	125,439	100%	125,439	PC	30,618	4.10	853	3,493
Total Intergovernmental Revenues		\$ 5,615,936		\$ 125,439			\$ 4.10		\$ 3,493
Licenses and Permits									
Building Licenses & Permits									
Building Permits	II-5	\$ 432,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Plan Check Fees	II-5	69,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Plan Check Fees -Fee /based	II-5	231,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Fire Fees	II-5	8,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Imaging Plans and Documents Fee	II-5	35,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Subtotal Building Licenses & Permits		<u>\$ 775,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Engineering Fees									
Transportation Permit	II-5	\$ 2,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Grading Permit	II-5	4,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Encroachment Permit	II-5	23,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Traffic Permit & License	II-5	1,600	0%	-----	-----	See Footnote (e)	-----	-----	-----
Sub-total Engineering Permits		<u>\$ 30,600</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Total Licenses and Permits		\$ 805,600		\$ -			\$ -		\$ -
Charges for Current Services									
Recreation Fees									
Fees- Programs	II-6	\$ 410,000	100%	\$ 410,000	PC	30,618	\$ 13.39	853	\$ 11,416
Fees - Facility Reservation	II-6	215,000	100%	215,000	PC	30,618	7.02	853	5,986
Fees - Special Events	II-6	5,000	100%	5,000	PC	30,618	0.16	853	139
Fees-5K Registrations	II-6	132,050	100%	132,050	PC	30,618	4.31	853	3,677
Fees-5K Sponsorships	II-6	30,000	100%	30,000	PC	30,618	0.98	853	835
Subtotal Recreation Fees		<u>\$ 792,050</u>		<u>\$ 792,050</u>			<u>\$ 25.87</u>		<u>\$ 22,053</u>
Development Services Fees									
Planning and Zoning Fees	II-6	\$ 142,000	0%	-----	-----	See Footnote (e)	-----	-----	-----
Improvement Inspect	II-6	36,500	0%	-----	-----	See Footnote (e)	-----	-----	-----
Grading Plan Check	II-6	1,500	0%	-----	-----	See Footnote (e)	-----	-----	-----
Subtotal Development Services Fees		<u>\$ 180,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Leases and Rental Fees									
Cell Tower Lease	II-6	\$ 77,563	0%	-----	-----	See Footnote (d)	-----	-----	-----
Library Lease	II-6	48,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Subtotal Leases and Rental Fees		<u>\$ 125,563</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 3 - Phase 1 & Phase 2
Table 7 - General Fund Revenue Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
Other Service Charges									
Sale of Publications/Maps	II-6	\$ 7,000	0%	-----		See Footnote (d) -----			
Subtotal Other Service Charges		<u>\$ 7,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Miscellaneous Operating Revenues		\$ 13,000	0%	-----		See Footnote (d) -----			
Total Charges for Services		<u>\$ 1,117,613</u>		<u>\$ 792,050</u>			<u>\$ 25.87</u>		<u>\$ 22,053</u>
Fines and Forfeitures									
Vehicle Code Fines	II-6	\$ 393,000	100%	\$ 393,000	PER	43,968	\$ 8.94	991	\$ 8,861
Parking Revenues	II-6	79,000	100%	79,000	PER	43,968	1.80	991	1,781
Court Fines	II-6	13,000	100%	13,000	PER	43,968	0.30	991	293
Abandoned Vehicle Abatement	II-6	15,000	100%	15,000	PER	43,968	0.34	991	338
Total Fines and Forfeitures		<u>\$ 500,000</u>		<u>\$ 500,000</u>			<u>\$ 11.37</u>		<u>\$ 11,274</u>
Total General Fund Revenues		<u>\$ 18,727,039</u>		<u>\$ 5,157,423</u>			<u>\$ 155.39</u>		<u>\$ 136,632</u>

Footnotes:

(a) Per City of Laguna Hills Biennial Budget FY2011-2012 - FY2012-13.

(b) "PC"= Per Capita and "PER" = Equivalent Resident.

(c) Total population of 30,618 per the California Dept. of Finance as of January 2012. Total employment of 26,700 per the California Employment Development Department as of March 2012. For Equivalent Resident Factor, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Assumes Project will have a de minimis impact on these revenue sources.

(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 3 - Phase 1 & Phase 2
Table 8 - General Fund Cost Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
Council/Manager	(a)	(a)			(b)	(c)			
Personnel	II-14	\$ 652,106	50%	\$ 326,053	PER	43,968	\$ 7.42	991	\$ 7,352
Maintenance and Operation	II-14	60,075	50%	30,038	PER	43,968	0.68	991	677
Contract Services	II-14	344,800	50%	172,400	PER	43,968	3.92	991	3,887
Capital Outlay -	II-14	-	0%			See Footnote (d)			
Total Council/Manager		\$ 1,056,981		\$ 528,491			\$ 12.02		\$ 11,917
Clerk									
Personnel	II-14	\$ 335,368	50%	\$ 167,684	PER	43,968	\$ 3.81	991	\$ 3,781
Maintenance and Operation	II-14	22,580	50%	11,290	PER	43,968	0.26	991	255
Contract Services	II-14	22,575	50%	11,288	PER	43,968	0.26	991	255
Capital Outlay	II-14	-	0%			See Footnote (d)			
Total Clerk		\$ 380,523		\$ 190,262			\$ 4.33		\$ 4,290
Administrative Services									
Personnel	II-14	\$ 800,797	50%	\$ 400,399	PER	43,968	\$ 9.11	991	\$ 9,028
Maintenance and Operation	II-14	378,260	50%	189,130	PER	43,968	4.30	991	4,265
Contract Services	II-14	129,250	50%	64,625	PER	43,968	1.47	991	1,457
Capital Outlay	II-14	3,500	0%			See Footnote (d)			
Total Administrative Services		\$ 1,311,807		\$ 654,154			\$ 14.88		\$ 14,750
Information Technology									
Personnel	II-14	\$ 49,340	50%	\$ 24,670	PER	43,968	\$ 0.56	991	\$ 556
Maintenance and Operation	II-14	25,908	50%	12,954	PER	43,968	0.29	991	292
Contract Services	II-14	157,687	50%	78,844	PER	43,968	1.79	991	1,778
Capital Outlay	II-14	38,485	0%			See Footnote (d)			
Total Information Technology		\$ 271,420		\$ 116,468			\$ 2.65		\$ 2,626
Community Development									
Personnel	II-14	\$ 934,086	0%			See Footnote (e)			
Maintenance and Operation	II-14	19,200	0%			See Footnote (e)			
Contract Services	II-14	410,000	0%			See Footnote (e)			
Capital Outlay	II-14	-	0%			See Footnote (e)			
Total Community Development		\$ 1,363,286		\$ -			\$ -		\$ -
Public Services									
Personnel									
Salaries - Full Time	III-33	\$ 512,819	0%			See Footnote (f)			
Auto Allowance	III-33	7,800	0%			See Footnote (f)			
Medicare	III-33	7,548	0%			See Footnote (f)			
Retirement	III-33	142,020	0%			See Footnote (f)			
Health Insurance	III-33	73,716	0%			See Footnote (f)			
Group Life	III-33	1,257	0%			See Footnote (f)			
Workers Comp & SUI	III-33	3,722	0%			See Footnote (f)			
Disability Insurance	III-33	3,313	0%			See Footnote (f)			
Subtotal Personnel		\$ 752,195		\$ -			\$ -		\$ -
Maintenance & Operations									
Memberships and Dues	III-33	\$ 1,900	0%			See Footnote (f)			
Training and Education	III-33	6,100	0%			See Footnote (f)			
Mileage Reimbursement	III-33	400	0%			See Footnote (f)			
Vehicle - fuel	III-33	9,000	0%			See Footnote (f)			
Computer Supplies	III-33	1,500	0%			See Footnote (f)			
Operating Supplies	III-33	10,500	0%			See Footnote (f)			
Printing	III-33	500	0%			See Footnote (f)			
Subscriptions & Books	III-33	250	0%			See Footnote (f)			
Telephone & Communication	III-33	4,000	0%			See Footnote (f)			
Utilities - Electric	III-33	105,000	0%			See Footnote (f)			
Electric - St. Light/Signal	III-33	390,000	0%			See Footnote (f)			
Utilities - Water	III-33	285,000	0%			See Footnote (f)			
Rent/Lease Facility	III-33	3,600	0%			See Footnote (f)			
Maintenance & Repair - Equip/Mac	III-33	-	0%			See Footnote (f)			
Maintenance & Repair - Vehicle	III-33	2,000	0%			See Footnote (f)			
Subtotal Maintenance & Operations		\$ 819,750		\$ -			\$ -		\$ -

Exhibit B
Oakbrook Village Fiscal Impact Analysis
Exhibit 3 - Phase 1 & Phase 2
Table 8 - General Fund Cost Calculations
October 4, 2012

Description	Budget Page Ref.	FY 2011-12 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
Contractual Services									
Professional Services	III-33	\$ 15,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Computer Consulting Services	III-33	10,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
City Engineer	III-33	43,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Traffic Engineer	III-33	60,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
On-Call Engineer	III-33	7,500	0%	-----	-----	See Footnote (f)	-----	-----	-----
Improvement Inspection	III-33	55,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
County EMA - Street Main.	III-33	640,000	100%	640,000	PER	43,968	14.56	991	14,431
Street Sweeping	III-33	125,000	100%	125,000	PER	43,968	2.84	991	2,819
Traffic Signal Maint.	III-33	120,000	100%	120,000	PER	43,968	2.73	991	2,706
Graffiti Removal	III-33	25,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Land. Maint. Contract	III-33	1,120,000	100%	1,120,000	PER	43,968	25.47	991	25,254
Parks Contract Repair	III-33	134,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Ann. Backflow Device Cert.	III-33	-	0%	-----	-----	See Footnote (f)	-----	-----	-----
Ann. Weed Abatement Pro.	III-33	40,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Cont. Serv. - Janitorial	III-33	44,000	0%	-----	-----	See Footnote (f)	-----	-----	-----
Subtotal Contractual Services		<u>\$ 2,438,500</u>		<u>\$ 2,005,000</u>			<u>\$ 45.60</u>		<u>\$ 45,209</u>
Capital Outlay									
Vehicles	III-33	\$ -	0%	-----	-----	See Footnote (d)	-----	-----	-----
Equipment	III-33	10,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Subtotal Capital Outlay		<u>\$ 10,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Total Public Services		<u>\$ 4,020,445</u>		<u>\$ 2,005,000</u>			<u>\$ 45.60</u>		<u>\$ 45,209</u>
Community Services									
Personnel	II-14	\$ 1,002,012	50%	\$ 501,006	PC	30,618	\$ 16.36	853	\$ 13,950
Maintenance and Operation	II-14	526,335	50%	263,168	PC	30,618	8.60	853	7,327
Contract Services	II-14	206,500	50%	103,250	PC	30,618	3.37	853	2,875
Capital Outlay	II-14	23,500	0%	-----	-----	See Footnote (d)	-----	-----	-----
Total Community Services		<u>\$ 1,758,347</u>		<u>\$ 867,424</u>			<u>\$ 28.33</u>		<u>\$ 24,152</u>
Public Safety									
Maintenance and Operations									
Memberships and Dues	III-45	\$ 300	100%	\$ 300	PER	43,968	\$ 0.01	991	\$ 7
Training and Education	III-45	800	100%	800	PER	43,968	0.02	991	18
Vehicle - Fuel	III-45	5,000	100%	5,000	PER	43,968	0.11	991	113
Computer Supplies	III-45	2,000	100%	2,000	PER	43,968	0.05	991	45
Operating Supplies	III-45	3,300	100%	3,300	PER	43,968	0.08	991	74
Maintenance & Repair	III-45	16,000	100%	16,000	PER	43,968	0.36	991	361
Maintenance & Repair	III-45	19,450	100%	19,450	PER	43,968	0.44	991	439
Comm. Events/Public Relations	III-45	500	100%	500	PER	43,968	0.01	991	11
Subtotal Maintenance & Operations		<u>\$ 47,350</u>		<u>\$ 47,350</u>			<u>\$ 1.08</u>		<u>\$ 1,067.66</u>
Contractual Services									
Professional Services	III-45	\$ 22,000	100%	\$ 22,000	PER	43,968	\$ 0.50	991	\$ 496
Contract Services	III-45	93,769	100%	93,769	PER	43,968	2.13	991	2,114
County Service	III-45	37,500	100%	37,500	PER	43,968	0.85	991	846
General Law Enforcement	III-45	4,525,702	100%	4,525,702	PER	43,968	102.93	991	102,046
Traffic Enforcement	III-45	992,214	50%	496,107	PER	43,968	11.28	991	11,186
Supervision & Admin.	III-45	1,039,808	50%	519,904	PER	43,968	11.82	991	11,723
Subtotal Contractual Services		<u>\$ 6,710,993</u>		<u>\$ 5,694,982</u>			<u>\$ 129.53</u>		<u>\$ 128,412</u>
Capital Outlay									
Vehicles	III-45	\$ -	0%	-----	-----	See Footnote (d)	-----	-----	-----
Furniture	III-45	2,000	0%	-----	-----	See Footnote (d)	-----	-----	-----
Subtotal Capital Outlay		<u>\$ 2,000</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Total Public Safety		<u>\$ 6,760,343</u>		<u>\$ 5,742,332</u>			<u>\$ 130.60</u>		<u>\$ 129,479</u>
Total Operating Expenditures		<u>\$ 16,923,152</u>		<u>\$ 10,104,129</u>			<u>\$ 238.41</u>		<u>\$ 232,423</u>

Footnotes:

(a) Per City of Laguna Hills Biennial Budget FY2011-2012 - FY2012-13.

(b) "PC"= Per Capita and "PER" = Equivalent Resident.

(c) Total population of 30,618 per the California Dept. of Finance as of January 2012. Total employment of 26,700 per the California Employment Development Department as of March 2012. For Equivalent Resident Factor, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Capital outlay costs are assumed to be non-recurring.

(e) Community development costs (i.e., planning , code enforcement and building & safety costs) are assumed to be offset by fees and charges.

(f) Public services includes engineering, public works, and park costs. The FIA assumes Project will have a de minimis impact on these costs.

Exhibit D

FISCAL IMPACT ANALYSIS
FOR
VANTIS CBO (REMAINING 10 ACRES)

Prepared By:



Table of Contents

	<u>Page</u>
1. Purpose of Fiscal Impact Analysis	2
5. FIA Summary and Conclusions	3
2. Project Description	4
3. Limiting Conditions	7
4. General Sources of Information and Methodologies Used in FIA ..	8

1. Purpose of Fiscal Impact Analysis

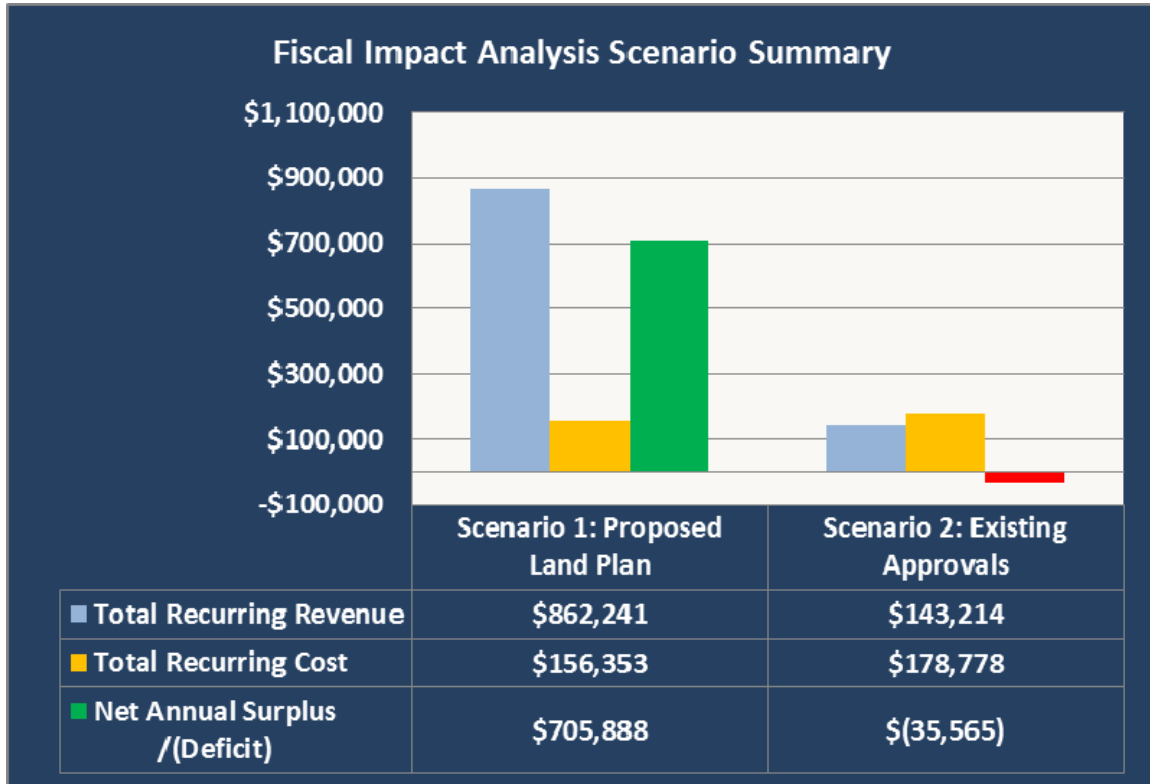
At the request of Shea Properties (“Developer”), Development Planning & Financing Group (“DPFG”) has prepared this Fiscal Impact Analysis (“FIA”) to determine the estimated fiscal impacts on the City of Aliso Viejo (“City”) in connection with the proposed development of the remaining 10 acres of the Vantis project (“Project”). The FIA estimates the fiscal impact to the City under two scenarios. Scenario 1 represents the proposed land plan (“Proposed Land Plan”) and Scenario 2 represents the existing approvals (“Existing Approvals”). The reader should be aware that the FIA contains estimates or projections of the Project’s future revenue and cost impact on the City, and that actual fiscal results may vary from estimates as events and circumstances can occur in a manner different than described in the FIA.

This FIA contains a description of the Project, calculation methodologies, conclusions, revenues and costs projected for the Project. The detailed calculations are organized as follows:

Scenario	Table	Description	Page
-	-	Fiscal Impact Analysis Scenario Summary	1
Exhibit A - Scenario 1 - Proposed Land Plan			
1	1	Fiscal Impact Analysis Summary	2
1	2	Land Use Assumptions	3
1	3	Post-ERAF Share of the Basic Tax Calculation	4
1	4	Property Tax Calculations	5
1	5	Sales and Use Tax and Transient Occupancy Tax Calculations	6
1	6	General Fund Revenue Calculations	7 - 8
1	7	General Fund Cost Calculations	9
Exhibit B - Scenario 2 - Existing Approvals			
2	1	Fiscal Impact Analysis Summary	10
2	2	Land Use Assumptions	11
2	3	Post-ERAF Share of the Basic Tax Calculation	12
2	4	Property Tax Calculations	13
2	5	Sales and Use Tax and Transient Occupancy Tax Calculations	14
2	6	General Fund Revenue Calculations	15 - 16
2	7	General Fund Cost Calculations	17

5. FIA Summary and Conclusions

As shown in the charts below, the Proposed Land Plan scenario is anticipated to generate a net annual surplus of \$705,888 to the City, compared to an annual deficit of \$35,565 for the existing approvals scenario.



Fiscal Impact Analysis Summary Chart

Scenario 1: Net Annual Surplus of \$705,888



Scenario 2: Net Annual Deficit of \$35,565



As shown in the attached detailed fiscal impact analysis calculations, the proposed land plan scenario is anticipated to generate transient occupancy tax of \$610,419 annually to the City's general fund as well as significant spending within the City as follows:

	Annual Taxable Sales Within City
Residents	\$6,226,931
Employees	\$180,750
Hotel Patrons	\$1,497,960
Total	\$7,905,641

The FIA does not include Development Agreement fees and affordable housing contributions. Based on information provided by the Developer, these fees paid to the City are currently estimated to total more than \$1.4 million.

2. Project Description

The following table compares the land uses for the remaining 10 acres under each scenario:

	Proposed Land Plan (Scenario 1)	Existing Approvals (Scenario 2)
Residential		
Resort Apartment Homes Market Rate	415	--
Resort Apartment Homes Low Income Affordable	20	--
Townhomes/Condominiums	--	100
Non-Residential		
Professional Office	--	438,000
Hotel (135 Rooms)	95,000	--

Amendment 2 to the Vantis Specific Plan (SPA-2) is being requested by the Developer in coordination with Shea Homes, which triggers required amendments to the General Plan and Development Agreement. The requested General Plan, Specific Plan, Development Agreement Amendments, and Site Development permits for the respective hotel and multifamily/apartments are proposed for the remaining undeveloped portion of the Vantis Specific Plan area, which constitutes 10.9 acres and encompasses Lots 4 through 10 of Tract 16865. Project modifications propose to adjust the boundaries for the High Density Residential and Professional Office Districts within the Vantis Specific Plan, as well as add hotel as an allowed use within the Professional Office District, and an additional 335 residential units within the High Density Residential District.

The current Vantis Specific Plan area is at present partially developed and is approved for up to 720,000 square feet of commercial/office use and a maximum of 409 residential units. The table on the following page shows the current development summary under the Existing Approvals and represents Scenario 2 of the fiscal impact analysis:

Existing Approvals (Scenario 2)		
Specific Plan Land Use	Residential Units	Office Space SF
High Density Residential District (HDR)	274	--
Condominiums		
Built	250	--
Entitled - not Built	24	--
Professional Office District (PO)	--	262,000
Built – 120 Vantis	--	181,500
Built – 130 Vantis	--	80,500
Live/Work	35	15,534
Built - Live/Work Commercial	--	13,906
Entitled Live/Work- not Built Commercial	--	1,628
Built – Live/Work Units	31	--
Entitled – Not Built Live/Work Units	4	--
Remaining Allowed but Not Entitled	100	438,000
Professional Office (Lots 4-8 of Tract 16865)	--	438,000
Condominiums (Lots 9 &10 of Tract 16865)	100	--
Total	409 DU	715,534 SF
<i>Note: Highlighted portion is the basis of Scenario 2 of the Fiscal Impact Analysis.</i>		

The Proposed Land Plan expands the multifamily by 335 dwelling units, and introduces a hotel up to 135 rooms. Scenario 1 of the fiscal impact analysis represents the Proposed Land Plan, and is summarized in the table on the following page.

Proposed Land Plan (Scenario 1)				
Specific Plan Land Use	Acreage ¹	Residential Units ²	Non-Residential	
			Office Space SF	Hotel Rooms
High Density Residential District (HDR)	24.5	709	--	--
Multi-family/Condominiums	14.0	274	--	--
Multi-family/Apartments	8.3	435	--	--
Private Roads	2.2	--	--	--
Professional Office District (PO)	13.1	35	377,000	135
Office Development(existing) ³	5.5	--	262,000	--
Live/Work	2.6	35	20,000	--
Hotel ⁴	2.6	--	95,000	135
Private Roads	2.4	--	--	--
Open Space (OS)	1.2	--	--	--
Open Space - Lots D, F, G	1.1	--	--	--
Open Space – Lot E	0.1	--	--	--
Open Space – Dedicated Easements ⁵	[0.8]	--	--	--
Specific Plan Totals	38.8	744	377,000	135
¹ Acreages based on recorded Final Map 16865, as amended by subsequent lot line adjustments. ² Through the Vantis Development Agreement and adoption of Ordinance 2005-069, 409 units were originally allowed. ³ Existing Office Square footage at 120 and 130 Vantis Drive is 262,000. ⁴ The hotel is approximately 95,000 square feet based on a 135 room hotel. ⁵ Of the designated open space (2.0 AC), 0.8 AC is within a dedicated easement contained along the eastern boundary of Tract 16865 and Enterprise Drive and should not be accounted for within the developable acreage.				
<i>Note: Highlighted portion is the basis of Scenario 1 of the Fiscal Impact Analysis.</i>				

Central to the convergence of the network of trails and pathways within Vantis is a village green. The village green has both plaza/park components with an area of approximately 0.9 acres, designed as a passive space, adjoining active uses of the proposed hotel and multifamily units. The village green will have paved parking surface to accommodate parking for short term deliveries and apartment leasing visitors. The village green will be designed and developed in conjunction with the development of the multifamily/apartment development. The Vantis Commercial Association will be responsible for the maintenance, security and programming of this open space amenity.

3. Limiting Conditions

The FIA is subject to the following limiting conditions:

- The FIA contains an analysis of recurring revenues and costs to the City from the development of the Project. The FIA is based on estimates, assumptions and other information obtained from DPFG's research, interviews, and information from DPFG's database which was collected through fiscal impact analyses previously prepared by DPFG and others.
- The sources of information and basis of the estimates are stated herein. While we believe the sources of information are reliable, DPFG does not express an opinion or any other form of assurance on the accuracy of such information.
- The analysis of recurring revenues and cost impacts to the City contained in the FIA is not considered to be a "financial forecast" or a "financial projection" as technically defined by the American Institute of Certified Public Accountants. The word "projection" used within this report relates to broad expectations of future events or market conditions.
- Since the analyses contained herein are based on estimates and assumptions which are inherently subject to uncertainty and variation depending on evolving events, DPFG cannot represent that results will definitely be achieved. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results achieved may vary from the projections.

4. General Sources of Information and Methodologies Used in FIA

The FIA was prepared to estimate the Project's revenue and cost impacts to the City's General Fund ("General Fund"). The FIA uses a combination of case study methods and multiplier methods to estimate Project impacts.

When projecting fiscal impacts using a multiplier method, the FIA determines per capita/employee impacts by applying the appropriate per capita, per employee and per equivalent resident multipliers to the Project's land use assumptions. The FIA calculates equivalent residents by adding residential population plus 0.5 of employees. Employment is reduced using a factor of 0.5 to account for the estimated less frequent use of City public services by employees than by residents. The various per capita, per employee, and per equivalent resident multipliers used in the FIA are calculated using the City of Aliso Viejo FY 2011-2012 Adopted Budget ("Budget"). Cost and revenue multipliers are projected in constant dollars, and are not adjusted for inflation.

Information used in preparing the FIA was obtained from the following sources:

1. City of Aliso Viejo FY 2011-2012 Adopted Budget (revenue and cost factors)
2. Shea Properties (land use, income, and hotel occupancy and room rate information)
3. Fiscal Impact Analysis for the City of Aliso Viejo General Plan prepared by Stanley R. Hoffman Associates, dated September 2003. (off-site residential and non-residential sales tax capture assumptions)
4. Orange County Auditor-Controller's Office share of basic 1% property tax information)
5. U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2011 (household taxable sales information)
6. California Department of Finance (City population and residents per household information)
7. California Employee Development Department (City employment information)

The following table shows selected key assumptions used in the FIA:

City Residential Population (a)	48,320
Persons Per Household (a)	2.540
City Employment (b)	26,700
Equivalent Resident Factor	0.5
City Equivalent Residents	61,670
General Fund Share of the Basic Tax (c)	2.1335%
Transient Occupancy Tax Rate (d)	10%
Average Hotel Occupancy Rate (e)	76%
Average Hotel Room Rate (e)	\$163
Off-Site Sales Tax Capture Rate (f)	50%

(a) Per the California Department of Finance as of January 1, 2011.

(b) Per California Employment Development Department, February 2012.

(c) Orange County Auditor-Controller's Office.

(d) Per Ordinance 2009-117 of the City's municipal code, Chapter 3.06

(e) Per information provided by Shea Properties.

(f) Per Fiscal Impact Analysis for the City of Aliso Viejo General Plan prepared by Stanley R. Hoffman Associates, dated September 2003.

Vantis CBO (Remaining 10 Acres)
Fiscal Impact Analysis Table of Contents
August 8, 2013

Scenario	Table	Title	Page
-	-	Fiscal Impact Analysis Scenario Summary	1
Exhibit A - Scenario 1 - Proposed Land Plan			
1	1	Fiscal Impact Analysis Summary	2
1	2	Land Use Assumptions	3
1	3	Post-ERAF Share of the Basic Tax Calculation	4
1	4	Property Tax Calculations	5
1	5	Sales and Use Tax and Transient Occupancy Tax Calculations	6
1	6	General Fund Revenue Calculations	7 - 8
1	7	General Fund Cost Calculations	9
Exhibit B - Scenario 2 - Existing Approvals			
2	1	Fiscal Impact Analysis Summary	10
2	2	Land Use Assumptions	11
2	3	Post-ERAF Share of the Basic Tax Calculation	12
2	4	Property Tax Calculations	13
2	5	Sales and Use Tax and Transient Occupancy Tax Calculations	14
2	6	General Fund Revenue Calculations	15 - 16
2	7	General Fund Cost Calculations	17

Vantis CBO (Remaining 10 Acres)
Fiscal Impact Analysis Scenario Summary
August 8, 2013

	<u>Table Ref.</u>	Scenario 1	Scenario 2
<u>I. Assumptions</u>			
Land Use Plan		Proposed Land Plan	Alternative 1 (Existing Approvals)
Residential Land Use (Units)			
Resort Apartment Homes Market Rate	2	415	-
Resort Apartment Homes Low Income Affordable	2	20	-
Townhomes/Condominiums	2	-	100
Total		435	-
Non-Residential Land Use (Sq. Ft.)			
Professional Office	2	-	438,000
Hotel (135 Rooms)	2	95,000	-
Total		95,000	438,000
Assessed Value			
Residential	2	\$ 115,275,000	\$ 49,800,000
Non-Residential	2	25,500,000	76,650,000
Total		\$ 140,775,000	\$ 126,450,000
<u>II. Total Retail Sales Within City (50% Capture)</u>			
Residents	5	\$ 6,226,931	\$ 1,568,320
Employees	5	180,750	2,638,950
Hotel Patrons	5	1,497,960	-
Total		\$ 7,905,641	\$ 4,207,270
<u>III. General Fund Fiscal Impact Analysis Summary</u>			
A. Key Revenues			
Property Tax	1	\$ 40,313	\$ 35,029
Property Tax In Lieu	1	85,263	19,601
Sales Tax	1	87,357	46,490
Franchise Fees	1	27,704	31,678
Transient Occupancy Tax	1	610,419	-
Other Revenue	1	11,184	10,416
Total Recurring Revenues		\$ 862,241	\$ 143,214
B. Key Costs			
Administrative Services	1	\$ 22,587	\$ 25,826
Public Works	1	7,269	8,312
Public Safety	1	126,497	144,640
Total Recurring Costs		\$ 156,353	\$ 178,778
General Fund Surplus/(Deficit)		\$ 705,888	\$ (35,565)

Exhibit A
Vantis CBO (Remaining 10 Acres)
Scenario 1 - Proposed Land Plan
Table 1 - Fiscal Impact Analysis Summary
August 8, 2013

I. GENERAL FUND	Table Ref.	Buildout	Per Equivalent Resident	Percent of Total
A. Recurring Revenues				
Property Tax	4	\$ 30,035	\$ 25.46	3.5%
Property Transfer Tax	4	10,279	8.71	1.2%
Subtotal Property Tax		\$ 40,313	\$ 34	4.7%
Property Tax In Lieu	6	\$ 85,263	\$ 72.27	9.9%
Off-Site Sales and Use Tax	5	\$ 67,593	\$ 57.29	7.8%
Sales Tax In Lieu	5	19,764	16.75	2.3%
Subtotal Sales Tax		\$ 87,357	\$ 74.05	10.1%
Franchise Fees	6	27,704	23.48	3.2%
Transient Occupancy Tax	5	610,419	517.41	70.8%
Others Taxes	6	-	-	0.0%
Licenses & Permits	6	-	-	0.0%
Fines & Forfeitures	6	6,178	5.24	0.7%
Revenue-Use of Money and Property	6	2,409	2.04	0.3%
Intergovernmental Revenues	6	2,597	2.20	0.3%
Current Services Charges	6	-	-	0.0%
Other Revenue	6	-	-	0.0%
City Hall	6	-	-	0.0%
Subtotal Other Revenue		\$ 11,184	\$ 9.48	1.3%
Total Recurring Revenues		\$ 862,241	\$ 730.86	100.0%
B. Recurring Costs				
Administrative Services	7	\$ 22,587	\$ 19.15	14.4%
Community Services	7	-	-	0.0%
Planning Services	7	-	-	0.0%
Building & Safety	7	-	-	0.0%
Public Works	7	7,269	6.16	4.6%
Public Safety	7	126,497	107.22	80.9%
Transfers Out	7	-	-	0.0%
City Hall	7	-	-	0.0%
Total Recurring Costs		\$ 156,353	\$ 132.53	100.0%
General Fund Surplus/(Deficit)		\$ 705,888	\$ 598.33	

Exhibit A
Vantis CBO (Remaining 10 Acres)
Scenario 1 - Proposed Land Plan
Table 2 - Land Use Assumptions
August 8, 2013

Product Type	Units/ Sq. Ft. (a)	Pop./ Emp. Factor	Pop./ Emp. Measure (b)	Total Residents/ Employees	Value per Unit/Sq. Ft./ Room	Assessed Valuation
I. Proposed Land Plan (Scenario 1)						
A. Residential						
Resort Apartment Homes Market Rate	415	2.54	PPH (c)	1,054	\$ 265,000	\$ 109,975,000
Resort Apartment Homes Low Income Affordable	20	2.54	PPH (c)	51	265,000	5,300,000
Total Residential	<u>435</u>			<u>1,105</u>		<u>\$ 115,275,000</u>
B. Non-Residential						
Hotel (135 Rooms)	95,000	1.0	EPR (e)	150	\$ 170,000	\$ 25,500,000
Total Non-Residential	<u>95,000</u>			<u>150</u>		<u>\$ 25,500,000</u>
Total Residential and Non-Residential						<u>\$ 140,775,000</u>
II. Alternative 1 Land Use (Existing Approvals) (Scenario 2)						
A. Residential						
Townhomes/Condominiums	100	2.54	PPH (c)	254	\$ 498,000	49,800,000
Total Residential	<u>100</u>			<u>254</u>		<u>\$ 49,800,000</u>
B. Non-Residential						
Professional Office	438,000	200	SFPE (d)	2,190	\$ 175.00	\$ 76,650,000
Total Non-Residential	<u>438,000</u>			<u>2,190</u>		<u>\$ 76,650,000</u>
Total Residential and Non-Residential						<u>\$ 126,450,000</u>
IV. Population Summary (Active Scenario)						
Residents				[1] 1,105		
Employees				[2] 150		
Equivalent Residents @ 50% of Employees				[2]X50%=[3] 75		
Total Equivalent Residents				[1]+[2]=[3] 1,180		

Footnotes:

- (a) Per information provided by Shea Properties.
- (b) "PPH"= Persons per Household, "SFPE" = Square Feet Per Employee, and "EPR" = Employees per room
- (c) City of Aliso Viejo average persons per household per California Department of Finance, January 2011.
- (d) Average 200 sq. ft. per employee per Jones Lang LaSalle.
- (e) Per DPFG research.

Exhibit A
Vantis CBO (Remaining 10 Acres)
Scenario 1 - Proposed Land Plan
Table 3 - Post-ERAF Share of the Basic Tax Calculation
August 8, 2013

Agency	Tax Rate Area 018146
	(a)
City of Aliso Viejo	2.1335%
Moulton Niguel Water District	3.7111%
Moulton Niguel Water District - ID #4A	3.0565%
Moulton Niguel Water District - ID #4A1	1.7162%
Orange County Vector Control District	0.1163%
Orange County Fire Authority	11.7038%
Orange County Transit Authority	0.2923%
Capistrano Unified School District	37.4808%
South O.C. Community College District - Basic Area	9.2176%
OC Department of Education	1.6990%
County Outside Cities w/OC Fire Authority	4.2838%
Orange County Public Library	1.7361%
Orange County Flood Control District	2.0592%
Educational Revenue Augmentation Plan	20.7939%
Total	1.0000%

Footnotes:

Source: Orange County Auditor-Controller's Office.

- (a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13.

Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to the Project's TRA.

Exhibit A
Vantis CBO (Remaining 10 Acres)
Scenario 1 - Proposed Land Plan
Table 4 - Property Tax Calculations
August 8, 2013

	Table		
	Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	2	\$	140,775,000
Basic Rate			1.000%
Basic Tax Paid		\$	1,407,750
General Fund Share of Basic Tax (a)	3		2.1335%
Total Property Tax Revenue		\$	30,035
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	2	\$	115,275,000
Residential Turnover Rate (b)			14.00%
Value of Annual Turnover		\$	16,138,500
Transfer Tax Rate (c)			0.0550%
Total Residential Property Transfer Tax	[1]	\$	8,876
B. Non-Residential			
Non-Residential Assessed Value	2	\$	25,500,000
Non-Residential Turnover Rate (b)			10.00%
Value of Annual Turnover		\$	2,550,000
Transfer Tax Rate (c)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	\$	1,403
Total Property Transfer Tax	[1]+[2]	\$	10,279
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (d)	5	\$	19,764
Total Property Tax In-Lieu of Sales Tax		\$	19,764

Footnotes:

- (a) See Table 3 for calculation.
- (b) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.
- (c) The County may levy a transfer tax at the rate of \$0.55 for each \$500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of \$0.55 per \$1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.
- (d) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5. As of June 2009, the Department of Finance estimates Proposition 57, or the Economic Recovery Bond Act authorizing the Triple Flip, will continue until all of the bonds are retired in Spring 2016. The final bond maturity is in July 2023 for the 2009 bonds.

Exhibit A
Vantis CBO (Remaining 10 Acres)
Scenario 1 - Proposed Land Plan
Table 5 - Sales and Use Tax and Transient Occupancy Tax Calculations
August 8, 2013

I. Off-Site Sales Tax Revenue					Per Unit	Amount
A. Residential						
Household Income (a)						
Resort Apartment Homes Market Rate					\$ 90,000	\$ 37,350,000
Resort Apartment Homes Low Income Affordable					78,416	1,568,320
Townhomes/Condominiums					98,020	-
Total Household Income					\$ 89,467	\$ 38,918,320
Retail Taxable Sales @32% of Household Income (b)					32.0%	\$ 28,630 \$ 12,453,862
Projected Taxable Sales Captured in City @50% of Taxable Sales (c)					50.0%	\$ 14,315 \$ 6,226,931
B. Non-Residential						
Employees (Table 2)						150
Annual Work Days (c)						241
Avg. Retail Taxable Expenditures per Workday per Employee (c)						\$ 10
Projected Taxable Sales Captured in City @50% of Taxable Sales (c)					50.0%	\$ 180,750
C. Hotel						
	Available Rooms	Annual Rooms Available	Average Occupancy Rate	Per Diem Spending		Total Taxable Sales
			(d)	(e)		
Retail Taxable Sales	135	49,275	76.00%	\$ 40	\$	1,497,960
D. Total Off-Site Sales Tax Revenue						
Retail Taxable Sales						\$ 7,905,641
Sales Tax @1% of taxable sales					1.00%	79,056
Use Tax @10.50% of sales tax					10.50%	8,301
Less 0.25% Reclassified to Property Taxes (f)					0.25%	(19,764)
Total On-Site Sales Tax Revenue						\$ 67,593
II. Transient Occupancy Tax ("TOT") Revenue						
	Available Rooms	Annual Rooms Available	Average Occupancy Rate	Average Room Rate		Total Taxable Sales
			(d)	(d)		
Room Revenue Subject to TOT	135	49,275	76.00%	\$ 163.00	\$	6,104,187
Transient Occupancy Tax Rate (g)						10.00%
Total Transient Occupancy Tax Revenue						\$ 610,419

Footnotes:

- Average market rate apartment income of \$90,000 per unit per information provided by Shea Properties. Average low income apartment income based on 80% of Aliso Viejo median income per 2013 low income housing limits. Average townhome income of \$98,020 per median household income in Aliso Viejo per the U.S. Census Bureau 2009-2011 American Community Survey.
- Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2011 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.
- Per the Fiscal Impact Analysis for the City of Aliso Viejo General Plan prepared by Stanley R. Hoffman Associates, dated September 2003.
- Average occupancy rate and average room rate at stabilization per information provided by Shea Properties.
- Preliminary estimate for illustration purposes.
- 0.25% of sales tax is redirected to property tax per the Triple Flip.
- A transient occupancy tax of 10.0% is applied to the cost of hotel rooms within the City of Aliso Viejo per Ordinance 2009-117 of the City's municipal code, Chapter 3.06.

Exhibit A
Vantis CBO (Remaining 10 Acres)
Scenario 1 - Proposed Land Plan
Table 6 - General Fund Revenue Calculations
August 8, 2013

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
Taxes									
General Property Taxes									
Current Secured	19	\$ 1,892,440	100%			See Table 4			
Current Unsecured	19	148,760	100%			See Table 4			
Prior Year Property Tax	19	50,600	100%			See Table 4			
Supplemental Roll	19	52,620	100%			See Table 4			
Misc. Property Taxes	19	1,500	0%			See Footnote (d)			
Property Tax In Lieu	19	3,729,220	100%	3,729,220	PC	48,320	77.18	1,105	85,263
Total General Property Taxes	19	<u>\$ 5,875,140</u>		<u>\$ 3,729,220</u>			<u>\$ 77.18</u>		<u>\$ 85,263</u>
Sales & Use Tax									
General Sales Tax	19	\$ 2,943,500	100%			See Table 5			
Sales Tax In Lieu	19	1,207,850	100%			See Table 5			
Total Sales & Use Taxes	19	<u>\$ 4,151,350</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Franchise Fees									
Franchise - Electric	19	\$ 351,750	100%	\$ 351,750	PER	61,670	\$ 5.70	1,180	\$ 6,729
Franchise - Gas	19	71,350	100%	71,350	PER	61,670	1.16	1,180	1,365
Franchise - Cable TV	19	824,100		824,100	PER	61,670	13.36	1,180	15,765
Franchise - Waste Collection	19	201,000	100%	201,000	PER	61,670	3.26	1,180	3,845
Total Franchise Fees	19	<u>\$ 1,448,200</u>		<u>\$ 1,448,200</u>			<u>\$ 23.48</u>		<u>\$ 27,704</u>
Other Taxes									
Real Property Transfer Tax	19	\$ 255,000	100%			See Table 4			
County Fire Tax Credit	19	500	0%			See Footnote (d)			
Public Utility Tax	19	29,000	0%			See Footnote (d)			
Transient Occupancy Tax	19	587,650	100%			See Table 5			
Total Other Taxes	19	<u>\$ 872,150</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Total Taxes	19	<u>\$ 12,346,840</u>		<u>\$ 5,177,420</u>			<u>\$ 100.66</u>		<u>\$ 112,967</u>
Licenses & Permits									
Construction Permits									
Building Permits	19	\$ 268,210	0%			See Footnote (e)			
Electrical Permits	19	29,870	0%			See Footnote (e)			
Plumbing Permits	19	28,840	0%			See Footnote (e)			
Mechanical Permits	19	25,750	0%			See Footnote (e)			
C & D Permits	19	4,120	0%			See Footnote (e)			
Sign Permits	19	100	0%			See Footnote (e)			
Use Permit	19	10,300	0%			See Footnote (e)			
Issuance Fee	20	17,510	0%			See Footnote (e)			
Massage License Fees	20	500	0%			See Footnote (e)			
Water Quality	20	20,000	0%			See Footnote (e)			
Total Licenses & Permits	20	<u>\$ 405,200</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Fines & Forfeitures									
Total Vehicle Code Fines	20	\$ 152,480	100%	\$ 152,480	PER	61,670	\$ 2.47	1,180	\$ 2,917
Other Fines & Forfeitures									
Other Fines & Forfeitures	20	\$ 18,000	100%	\$ 18,000	PER	61,670	\$ 0.29	1,180	\$ 344
Parking Citations	20	152,480	100%	152,480	PER	61,670	2.47	1,180	2,917
Total Other Fines & Forfeitures	20	<u>\$ 170,480</u>		<u>\$ 170,480</u>			<u>\$ 2.76</u>		<u>\$ 3,261</u>
Total Fines & Forfeiture	20	<u>\$ 322,960</u>		<u>\$ 322,960</u>			<u>\$ 5.24</u>		<u>\$ 6,178</u>
Use of Money and Property									
Total Investment Earnings	20	\$ 122,920	100%	\$ 122,920	PER	61,670	\$ 1.99	1,180	\$ 2,351
Total Rents & Concessions	20	3,000	100%	3,000	PER	61,670	0.05	1,180	57
Total Use of Money & Property	20	<u>\$ 125,920</u>		<u>\$ 125,920</u>			<u>\$ 2.04</u>		<u>\$ 2,409</u>
Intergovernmental Revenues									
State Shared Taxes									
Motor Vehicle License Fee	20	\$ 113,600	100%	\$ 113,600	PC	48,320	\$ 2.35	1,105	\$ 2,597
Homeowner Prop Tax Relief	20	15,000	0%			See Footnote (d)			
State Mandated Reimburse	20	15,000	0%			See Footnote (d)			
Total Intergovernmental Revenues	20	<u>\$ 143,600</u>		<u>\$ 113,600</u>			<u>\$ 2.35</u>		<u>\$ 2,597</u>

Exhibit A
Vantis CBO (Remaining 10 Acres)
Scenario 1 - Proposed Land Plan
Table 6 - General Fund Revenue Calculations
August 8, 2013

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
Current Services Charges									
Total General Govt. Charges	20	\$ 150	0%	-----	See Footnote (e)	-----			
Engineering Charges									
Transportation Permit	20	1,050	0%	-----	See Footnote (e)	-----			
Encroachment Permit	20	3,150	0%	-----	See Footnote (e)	-----			
Storm Water Permit	20	17,850	0%	-----	See Footnote (e)	-----			
Total Engineering Charges	20	<u>\$ 22,050</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Planning & Zoning Charges									
Planning Fees	21	\$ 10,300	0%	-----	See Footnote (e)	-----			
Site Plan Review	21	100	0%	-----	See Footnote (e)	-----			
General Plan	21	56,650	0%	-----	See Footnote (e)	-----			
Housing Administration	21	17,500	0%	-----	See Footnote (e)	-----			
Special Events Fees	21	2,000	0%	-----	See Footnote (e)	-----			
Total Planning & Zoning Charges	21	<u>\$ 86,550</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Building Regulation Charges									
Building Plan Check Fees	21	\$ 100,940	0%	-----	See Footnote (e)	-----			
SMIP	21	50	0%	-----	See Footnote (e)	-----			
Building Standard Fee (CBSC)	21	150	0%	-----	See Footnote (e)	-----			
Microfilm	21	7,210	0%	-----	See Footnote (e)	-----			
Code Enforcement Citations	21	210	0%	-----	See Footnote (e)	-----			
Total Building Regulation Charges	21	<u>\$ 108,560</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Total Current Services Charges	21	<u>\$ 217,310</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Other Revenue									
Total Miscellaneous Revenues	21	\$ 13,050	0%	-----	See Footnote (d)	-----			
City Hall									
Rent - City Hall Lease	21	\$ 235,000	0%	-----	See Footnote (d)	-----			
Total General Fund Revenue		<u>\$ 13,809,880</u>		<u>\$ 5,739,900</u>			<u>\$ 110.29</u>		<u>\$ 124,152</u>

Footnotes:

(a) Per City of Aliso Viejo FY 2011-2012 Adopted Budget.

(b) "PC"= Per Capita and "PER" = Equivalent Resident.

(c) Total population of 48,320 per the California Dept. of Finance as of January 2011. Total employment of 26,700 per the California Employment Development Department as of Feb. 2012. For Equivalent Resident Factor, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Assumes Project will have a de minimis impact on these revenue sources.

(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.

Exhibit A
Vantis CBO (Remaining 10 Acres)
Scenario 1 - Proposed Land Plan
Table 7 - General Fund Cost Calculations
August 8, 2013

Description	Budget Page Ref.	FY 2011-12 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
Administrative Services									
City Council	22	\$ 132,105	50%	\$ 66,053	PER	61,670	\$ 1.07	1,180	\$ 1,264
City Manager	22	648,735	50%	324,368	PER	61,670	5.26	1,180	6,205
Economic Development	22	92,500	50%	46,250	PER	61,670	0.75	1,180	885
City Clerk	22	186,080	50%	93,040	PER	61,670	1.51	1,180	1,780
City Attorney	22	398,300	50%	199,150	PER	61,670	3.23	1,180	3,810
Finance	22	466,660	50%	233,330	PER	61,670	3.78	1,180	4,464
Non-Departmental	22	436,970	50%	218,485	PER	61,670	3.54	1,180	4,180
Total Administrative Services	22	\$ 2,361,350		\$ 1,180,675			\$ 19.15		\$ 22,587
Community Services									
Community Services Admin	23	\$ 545,845	0%	-----	See Footnote (d)	-----	-----	-----	-----
Iglesia Park	23	100,040	0%	-----	See Footnote (d)	-----	-----	-----	-----
Iglesia Building	23	24,825	0%	-----	See Footnote (d)	-----	-----	-----	-----
Family Resource Center	23	100,000	0%	-----	See Footnote (d)	-----	-----	-----	-----
Total Community Services	23	\$ 770,710		\$ -			\$ -		\$ -
Total Planning Services	23	\$ 884,660	0%	-----	See Footnote (e)	-----	-----	-----	-----
Building & Safety									
Building	23	\$ 373,000	0%	-----	See Footnote (e)	-----	-----	-----	-----
Code Enforcement	23	101,000	0%	-----	See Footnote (e)	-----	-----	-----	-----
Total Building & Safety	23	\$ 474,000		\$ -			\$ -		\$ -
Public Works									
Engineering (General)	24	\$ 733,650	0%	-----	See Footnote (e)	-----	-----	-----	-----
Traffic Engineering	24	20,000	0%	-----	See Footnote (e)	-----	-----	-----	-----
Street Maintenance	24	380,000	100%	380,000	PER	61,670	6.16	1,180	7,269
Total Public Works	24	\$ 1,133,650		\$ 380,000			\$ 6.16		\$ 7,269
Public Safety									
Law Enforcement-Contract	24	\$ 6,235,400	100%	\$ 6,235,400	PER	61,670	\$ 101.11	1,180	\$ 119,285
Law Enforcement-Other									
Operating Expenditures	24	\$ 12,000	100%	\$ 12,000	PER	61,670	\$ 0.19	1,180	\$ 230
Other Services	24	17,000	100%	17,000	PER	61,670	0.28	1,180	325
Supplies	24	10,000	100%	10,000	PER	61,670	0.16	1,180	191
Contract Services	24	101,160	100%	101,160	PER	61,670	1.64	1,180	1,935
Total Law Enforcement-Other	24	\$ 140,160		\$ 140,160			\$ 2.27		\$ 2,681
Crime Prevention									
Operating Expenditures	24	\$ 1,050	100%	\$ 1,050	PER	61,670	\$ 0.02	1,180	\$ 20
Other Services	24	3,970	100%	3,970	PER	61,670	0.06	1,180	76
Supplies	24	4,980	100%	4,980	PER	61,670	0.08	1,180	95
Total Crime Prevention	24	\$ 10,000		\$ 10,000			\$ 0.16		\$ 191
Animal Control	24	\$ 223,870	100%	\$ 223,870	PER	61,670	\$ 3.63	1,180	\$ 4,283
Emergency Operations Center	24	\$ 3,000	100%	\$ 3,000	PER	61,670	\$ 0.05	1,180	\$ 57
Total Public Safety	24	\$ 6,612,430		\$ 6,612,430			\$ 107.22		\$ 126,497
Total Transfers Out	25	\$ 1,013,840	0%	-----	See Footnote (d)	-----	-----	-----	-----
Total City Hall	25	\$ 190,315	0%	-----	See Footnote (d)	-----	-----	-----	-----
TOTAL APPROPRIATIONS	25	\$ 13,440,955		\$ 8,173,105			\$ 132.53		\$ 156,353

Footnotes:

(a) Per City of Aliso Viejo Fiscal Year 2011-2012 Adopted Budget.

(b) "PER" = Equivalent Resident.

(c) Total population of 48,320 per the California Dept. of Finance as of January 2011. Total employment of 26,700 per the California Employment Development Department as of Feb. 2012. For Equivalent Resident Factor, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) This analysis assumes that the Vantis project will have a de minimis impact on the budgets for community services, transfers out and city hall costs.

(e) Planning, building & safety, and engineering expenses are assumed to be offset by fees and charges.

Exhibit B
Vantis CBO (Remaining 10 Acres)
Scenario 2 - Alternative 1 (Existing Approvals)
Table 1 - Fiscal Impact Analysis Summary
August 8, 2013

I. GENERAL FUND	Table Ref.	Buildout	Per Equivalent Resident	Percent of Total
A. Recurring Revenues				
Property Tax	4	\$ 26,978	\$ 20.00	18.8%
Property Transfer Tax	4	8,050	5.97	5.6%
Subtotal Property Tax		\$ 35,029	\$ 26	24.5%
Property Tax In Lieu	6	\$ 19,601	\$ 14.53	13.7%
Off-Site Sales and Use Tax	5	\$ 35,972	\$ 26.67	25.1%
Sales Tax In Lieu	5	10,518	7.80	7.3%
Subtotal Sales Tax		\$ 46,490	\$ 34.46	32.5%
Franchise Fees	6	31,678	23.48	22.1%
Transient Occupancy Tax	5	-	-	0.0%
Others Taxes	6	-	-	0.0%
Licenses & Permits	6	-	-	0.0%
Fines & Forfeitures	6	7,064	5.24	4.9%
Revenue-Use of Money and Property	6	2,754	2.04	1.9%
Intergovernmental Revenues	6	597	0.44	0.4%
Current Services Charges	6	-	-	0.0%
Other Revenue	6	-	-	0.0%
City Hall	6	-	-	0.0%
Subtotal Other Revenue		\$ 10,416	\$ 7.72	7.3%
Total Recurring Revenues		\$ 143,214	\$ 106.17	100.0%
B. Recurring Costs				
Administrative Services	7	\$ 25,826	\$ 19.15	14.4%
Community Services	7	-	-	0.0%
Planning Services	7	-	-	0.0%
Building & Safety	7	-	-	0.0%
Public Works	7	8,312	6.16	4.6%
Public Safety	7	144,640	107.22	80.9%
Transfers Out	7	-	-	0.0%
City Hall	7	-	-	0.0%
Total Recurring Costs		\$ 178,778	\$ 132.53	100.0%
General Fund Surplus/(Deficit)		\$ (35,565)	\$ (26.36)	

Exhibit B
Vantis CBO (Remaining 10 Acres)
Scenario 2 - Alternative 1 (Existing Approvals)
Table 2 - Land Use Assumptions
August 8, 2013

Product Type	Units/ Sq. Ft. (a)	Pop./ Emp. Factor	Pop./ Emp. Measure (b)	Total Residents/ Employees	Value per Unit/Sq. Ft./ Room	Assessed Valuation
I. Proposed Land Plan (Scenario 1)						
A. Residential						
Resort Apartment Homes Market Rate	415	2.54	PPH (c)	1,054	\$ 265,000	\$ 109,975,000
Resort Apartment Homes Low Income Affordable	20	2.54	PPH (c)	51	265,000	5,300,000
Total Residential	<u>435</u>			<u>1,105</u>		<u>\$ 115,275,000</u>
B. Non-Residential						
Hotel (135 Rooms)	95,000	1.0	EPR (e)	150	\$ 170,000	\$ 25,500,000
Total Non-Residential	<u>95,000</u>			<u>150</u>		<u>\$ 25,500,000</u>
Total Residential and Non-Residential						<u>\$ 140,775,000</u>
II. Alternative 1 Land Use (Existing Approvals) (Scenario 2)						
A. Residential						
Townhomes/Condominiums	100	2.54	PPH (c)	254	\$ 498,000	49,800,000
Total Residential	<u>100</u>			<u>254</u>		<u>\$ 49,800,000</u>
B. Non-Residential						
Professional Office	438,000	200	SFPE (d)	2,190	\$ 175.00	\$ 76,650,000
Total Non-Residential	<u>438,000</u>			<u>2,190</u>		<u>\$ 76,650,000</u>
Total Residential and Non-Residential						<u>\$ 126,450,000</u>
IV. Population Summary (Active Scenario)						
Residents				[1] 254		
Employees				[2] 2,190		
Equivalent Residents @ 50% of Employees				[2]X50%=[3] 1,095		
Total Equivalent Residents				[1]+[2]=[3] 1,349		

Footnotes:

- (a) Per information provided by Shea Properties.
(b) "PPH"= Persons per Household, "SFPE" = Square Feet Per Employee, and "EPR" = Employees per room
(c) City of Aliso Viejo average persons per household per California Department of Finance, January 2011.
(d) Average 200 sq. ft. per employee per Jones Lang LaSalle.
(e) Per DPFG research.

Exhibit B
Vantis CBO (Remaining 10 Acres)
Scenario 2 - Alternative 1 (Existing Approvals)
Table 3 - Post-ERAF Share of the Basic Tax Calculation
August 8, 2013

Agency	Tax Rate Area 018146
	(a)
City of Aliso Viejo	2.1335%
Moulton Niguel Water District	3.7111%
Moulton Niguel Water District - ID #4A	3.0565%
Moulton Niguel Water District - ID #4A1	1.7162%
Orange County Vector Control District	0.1163%
Orange County Fire Authority	11.7038%
Orange County Transit Authority	0.2923%
Capistrano Unified School District	37.4808%
South O.C. Community College District - Basic Area	9.2176%
OC Department of Education	1.6990%
County Outside Cities w/OC Fire Authority	4.2838%
Orange County Public Library	1.7361%
Orange County Flood Control District	2.0592%
Educational Revenue Augmentation Plan	20.7939%
Total	1.0000%

Footnotes:

Source: Orange County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13.

Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to the Project's TRA.

Exhibit B
Vantis CBO (Remaining 10 Acres)
Scenario 2 - Alternative 1 (Existing Approvals)
Table 4 - Property Tax Calculations
August 8, 2013

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	2	\$	126,450,000
Basic Rate			1.000%
Basic Tax Paid		\$	1,264,500
General Fund Share of Basic Tax (a)	3		2.1335%
Total Property Tax Revenue		\$	26,978
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	2	\$	49,800,000
Residential Turnover Rate (b)			14.00%
Value of Annual Turnover		\$	6,972,000
Transfer Tax Rate (c)			0.0550%
Total Residential Property Transfer Tax	[1]	\$	3,835
B. Non-Residential			
Non-Residential Assessed Value	2	\$	76,650,000
Non-Residential Turnover Rate (b)			10.00%
Value of Annual Turnover		\$	7,665,000
Transfer Tax Rate (c)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	\$	4,216
Total Property Transfer Tax	[1]+[2]	\$	8,050
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (d)	5	\$	10,518
Total Property Tax In-Lieu of Sales Tax		\$	10,518

Footnotes:

- (a) See Table 3 for calculation.
- (b) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.
- (c) The County may levy a transfer tax at the rate of \$0.55 for each \$500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of \$0.55 per \$1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.
- (d) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5. As of June 2009, the Department of Finance estimates Proposition 57, or the Economic Recovery Bond Act authorizing the Triple Flip, will continue until all of the bonds are retired in Spring 2016. The final bond maturity is in July 2023 for the 2009 bonds.

Exhibit B
Vantis CBO (Remaining 10 Acres)
Scenario 2 - Alternative 1 (Existing Approvals)
Table 5 - Sales and Use Tax and Transient Occupancy Tax Calculations
August 8, 2013

I. Off-Site Sales Tax Revenue					Per Unit	Amount
A. Residential						
Household Income (a)						
Resort Apartment Homes Market Rate					\$ 90,000	\$ -
Resort Apartment Homes Low Income Affordable					78,416	-
Townhomes/Condominiums					98,020	9,802,000
Total Household Income					\$ 98,020	\$ 9,802,000
Retail Taxable Sales @32% of Household Income (b)					32.0%	\$ 31,366 \$ 3,136,640
Projected Taxable Sales Captured in City @50% of Taxable Sales (c)					50.0%	\$ 15,683 \$ 1,568,320
B. Non-Residential						
Employees (Table 2)						2,190
Annual Work Days (c)						241
Avg. Retail Taxable Expenditures per Workday per Employee (c)						\$ 10
Projected Taxable Sales Captured in City @50% of Taxable Sales (c)					50.0%	\$ 2,638,950
C. Hotel						
	Available Rooms	Annual Rooms Available	Average Occupancy Rate	Per Diem Spending		Total Taxable Sales
Retail Taxable Sales	-	-	(d) 76.00%	(e) \$ 40	\$	-
D. Total Off-Site Sales Tax Revenue						
Retail Taxable Sales						\$ 4,207,270
Sales Tax @1% of taxable sales					1.00%	42,073
Use Tax @10.50% of sales tax					10.50%	4,418
Less 0.25% Reclassified to Property Taxes (f)					0.25%	(10,518)
Total On-Site Sales Tax Revenue						\$ 35,972
II. Transient Occupancy Tax ("TOT") Revenue						
	Available Rooms	Annual Rooms Available	Average Occupancy Rate	Average Room Rate		Total Taxable Sales
Room Revenue Subject to TOT	-	-	(d) 76.00%	(d) \$ 163.00	\$	-
Transient Occupancy Tax Rate (g)						10.00%
Total Transient Occupancy Tax Revenue						\$ -

Footnotes:

- (a) Average market rate apartment income of \$90,000 per unit per information provided by Shea Properties. Average low income apartment income based on 80% of Aliso Viejo median income per 2013 low income housing limits. Average townhome income of \$98,020 per median household income in Aliso Viejo per the U.S. Census Bureau 2009-2011 American Community Survey.
- (b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2011 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.
- (c) Per the Fiscal Impact Analysis for the City of Aliso Viejo General Plan prepared by Stanley R. Hoffman Associates, dated September 2003.
- (d) Average occupancy rate and average room rate at stabilization per information provided by Shea Properties.
- (e) Preliminary estimate for illustration purposes.
- (f) 0.25% of sales tax is redirected to property tax per the Triple Flip.
- (g) A transient occupancy tax of 10.0% is applied to the cost of hotel rooms within the City of Aliso Viejo per Ordinance 2009-117 of the City's municipal code, Chapter 3.06.

Exhibit B
Vantis CBO (Remaining 10 Acres)
Scenario 2 - Alternative 1 (Existing Approvals)
Table 6 - General Fund Revenue Calculations
August 8, 2013

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
Taxes									
General Property Taxes									
Current Secured	19	\$ 1,892,440	100%			See Table 4			
Current Unsecured	19	148,760	100%			See Table 4			
Prior Year Property Tax	19	50,600	100%			See Table 4			
Supplemental Roll	19	52,620	100%			See Table 4			
Misc. Property Taxes	19	1,500	0%			See Footnote (d)			
Property Tax In Lieu	19	3,729,220	100%	3,729,220	PC	48,320	77.18	254	19,601
Total General Property Taxes	19	\$ 5,875,140		\$ 3,729,220			\$ 77.18		\$ 19,601
Sales & Use Tax									
General Sales Tax	19	\$ 2,943,500	100%			See Table 5			
Sales Tax In Lieu	19	1,207,850	100%			See Table 5			
Total Sales & Use Taxes	19	\$ 4,151,350		\$ -			\$ -		\$ -
Franchise Fees									
Franchise - Electric	19	\$ 351,750	100%	\$ 351,750	PER	61,670	\$ 5.70	1,349	\$ 7,694
Franchise - Gas	19	71,350	100%	71,350	PER	61,670	1.16	1,349	1,561
Franchise - Cable TV	19	824,100		824,100	PER	61,670	13.36	1,349	18,026
Franchise - Waste Collection	19	201,000	100%	201,000	PER	61,670	3.26	1,349	4,397
Total Franchise Fees	19	\$ 1,448,200		\$ 1,448,200			\$ 23.48		\$ 31,678
Other Taxes									
Real Property Transfer Tax	19	\$ 255,000	100%			See Table 4			
County Fire Tax Credit	19	500	0%			See Footnote (d)			
Public Utility Tax	19	29,000	0%			See Footnote (d)			
Transient Occupancy Tax	19	587,650	100%			See Table 5			
Total Other Taxes	19	\$ 872,150		\$ -			\$ -		\$ -
Total Taxes	19	\$ 12,346,840		\$ 5,177,420			\$ 100.66		\$ 51,279
Licenses & Permits									
Construction Permits									
Building Permits	19	\$ 268,210	0%			See Footnote (e)			
Electrical Permits	19	29,870	0%			See Footnote (e)			
Plumbing Permits	19	28,840	0%			See Footnote (e)			
Mechanical Permits	19	25,750	0%			See Footnote (e)			
C & D Permits	19	4,120	0%			See Footnote (e)			
Sign Permits	19	100	0%			See Footnote (e)			
Use Permit	19	10,300	0%			See Footnote (e)			
Issuance Fee	20	17,510	0%			See Footnote (e)			
Massage License Fees	20	500	0%			See Footnote (e)			
Water Quality	20	20,000	0%			See Footnote (e)			
Total Licenses & Permits	20	\$ 405,200		\$ -			\$ -		\$ -
Fines & Forfeitures									
Total Vehicle Code Fines	20	\$ 152,480	100%	\$ 152,480	PER	61,670	\$ 2.47	1,349	\$ 3,335
Other Fines & Forfeitures									
Other Fines & Forfeitures	20	\$ 18,000	100%	\$ 18,000	PER	61,670	\$ 0.29	1,349	\$ 394
Parking Citations	20	152,480	100%	152,480	PER	61,670	2.47	1,349	3,335
Total Other Fines & Forfeitures	20	\$ 170,480		\$ 170,480			\$ 2.76		\$ 3,729
Total Fines & Forfeiture	20	\$ 322,960		\$ 322,960			\$ 5.24		\$ 7,064
Use of Money and Property									
Total Investment Earnings	20	\$ 122,920	100%	\$ 122,920	PER	61,670	\$ 1.99	1,349	\$ 2,689
Total Rents & Concessions	20	3,000	100%	3,000	PER	61,670	0.05	1,349	66
Total Use of Money & Property	20	\$ 125,920		\$ 125,920			\$ 2.04		\$ 2,754
Intergovernmental Revenues									
State Shared Taxes									
Motor Vehicle License Fee	20	\$ 113,600	100%	\$ 113,600	PC	48,320	\$ 2.35	254	\$ 597
Homeowner Prop Tax Relief	20	15,000	0%			See Footnote (d)			
State Mandated Reimburse	20	15,000	0%			See Footnote (d)			
Total Intergovernmental Revenues	20	\$ 143,600		\$ 113,600			\$ 2.35		\$ 597

Exhibit B
Vantis CBO (Remaining 10 Acres)
Scenario 2 - Alternative 1 (Existing Approvals)
Table 6 - General Fund Revenue Calculations
August 8, 2013

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
Current Services Charges									
Total General Govt. Charges	20	\$ 150	0%	-----	See Footnote (e)	-----			
Engineering Charges									
Transportation Permit	20	1,050	0%	-----	See Footnote (e)	-----			
Encroachment Permit	20	3,150	0%	-----	See Footnote (e)	-----			
Storm Water Permit	20	17,850	0%	-----	See Footnote (e)	-----			
Total Engineering Charges	20	<u>\$ 22,050</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Planning & Zoning Charges									
Planning Fees	21	\$ 10,300	0%	-----	See Footnote (e)	-----			
Site Plan Review	21	100	0%	-----	See Footnote (e)	-----			
General Plan	21	56,650	0%	-----	See Footnote (e)	-----			
Housing Administration	21	17,500	0%	-----	See Footnote (e)	-----			
Special Events Fees	21	2,000	0%	-----	See Footnote (e)	-----			
Total Planning & Zoning Charges	21	<u>\$ 86,550</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Building Regulation Charges									
Building Plan Check Fees	21	\$ 100,940	0%	-----	See Footnote (e)	-----			
SMIP	21	50	0%	-----	See Footnote (e)	-----			
Building Standard Fee (CBSC)	21	150	0%	-----	See Footnote (e)	-----			
Microfilm	21	7,210	0%	-----	See Footnote (e)	-----			
Code Enforcement Citations	21	210	0%	-----	See Footnote (e)	-----			
Total Building Regulation Charges	21	<u>\$ 108,560</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Total Current Services Charges	21	<u>\$ 217,310</u>		<u>\$ -</u>			<u>\$ -</u>		<u>\$ -</u>
Other Revenue									
Total Miscellaneous Revenues	21	\$ 13,050	0%	-----	See Footnote (d)	-----			
City Hall									
Rent - City Hall Lease	21	\$ 235,000	0%	-----	See Footnote (d)	-----			
Total General Fund Revenue		<u>\$ 13,809,880</u>		<u>\$ 5,739,900</u>			<u>\$ 110.29</u>		<u>\$ 61,694</u>

Footnotes:

(a) Per City of Aliso Viejo FY 2011-2012 Adopted Budget.

(b) "PC"= Per Capita and "PER" = Equivalent Resident.

(c) Total population of 48,320 per the California Dept. of Finance as of January 2011. Total employment of 26,700 per the California Employment Development Department as of Feb. 2012. For Equivalent Resident Factor, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Assumes Project will have a de minimis impact on these revenue sources.

(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.

Exhibit B
Vantis CBO (Remaining 10 Acres)
Scenario 2 - Alternative 1 (Existing Approvals)
Table 7 - General Fund Cost Calculations
August 8, 2013

Description	Budget Page Ref.	FY 2011-12 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
Administrative Services									
City Council	22	\$ 132,105	50%	\$ 66,053	PER	61,670	\$ 1.07	1,349	\$ 1,445
City Manager	22	648,735	50%	324,368	PER	61,670	5.26	1,349	7,095
Economic Development	22	92,500	50%	46,250	PER	61,670	0.75	1,349	1,012
City Clerk	22	186,080	50%	93,040	PER	61,670	1.51	1,349	2,035
City Attorney	22	398,300	50%	199,150	PER	61,670	3.23	1,349	4,356
Finance	22	466,660	50%	233,330	PER	61,670	3.78	1,349	5,104
Non-Departmental	22	436,970	50%	218,485	PER	61,670	3.54	1,349	4,779
Total Administrative Services	22	\$ 2,361,350		\$ 1,180,675			\$ 19.15		\$ 25,826
Community Services									
Community Services Admin	23	\$ 545,845	0%	-----	See Footnote (d)	-----	-----	-----	-----
Iglesia Park	23	100,040	0%	-----	See Footnote (d)	-----	-----	-----	-----
Iglesia Building	23	24,825	0%	-----	See Footnote (d)	-----	-----	-----	-----
Family Resource Center	23	100,000	0%	-----	See Footnote (d)	-----	-----	-----	-----
Total Community Services	23	\$ 770,710		\$ -			\$ -		\$ -
Total Planning Services	23	\$ 884,660	0%	-----	See Footnote (e)	-----	-----	-----	-----
Building & Safety									
Building	23	\$ 373,000	0%	-----	See Footnote (e)	-----	-----	-----	-----
Code Enforcement	23	101,000	0%	-----	See Footnote (e)	-----	-----	-----	-----
Total Building & Safety	23	\$ 474,000		\$ -			\$ -		\$ -
Public Works									
Engineering (General)	24	\$ 733,650	0%	-----	See Footnote (e)	-----	-----	-----	-----
Traffic Engineering	24	20,000	0%	-----	See Footnote (e)	-----	-----	-----	-----
Street Maintenance	24	380,000	100%	380,000	PER	61,670	6.16	1,349	8,312
Total Public Works	24	\$ 1,133,650		\$ 380,000			\$ 6.16		\$ 8,312
Public Safety									
Law Enforcement-Contract	24	\$ 6,235,400	100%	\$ 6,235,400	PER	61,670	\$ 101.11	1,349	\$ 136,393
Law Enforcement-Other									
Operating Expenditures	24	\$ 12,000	100%	\$ 12,000	PER	61,670	\$ 0.19	1,349	\$ 262
Other Services	24	17,000	100%	17,000	PER	61,670	0.28	1,349	372
Supplies	24	10,000	100%	10,000	PER	61,670	0.16	1,349	219
Contract Services	24	101,160	100%	101,160	PER	61,670	1.64	1,349	2,213
Total Law Enforcement-Other	24	\$ 140,160		\$ 140,160			\$ 2.27		\$ 3,066
Crime Prevention									
Operating Expenditures	24	\$ 1,050	100%	\$ 1,050	PER	61,670	\$ 0.02	1,349	\$ 23
Other Services	24	3,970	100%	3,970	PER	61,670	0.06	1,349	87
Supplies	24	4,980	100%	4,980	PER	61,670	0.08	1,349	109
Total Crime Prevention	24	\$ 10,000		\$ 10,000			\$ 0.16		\$ 219
Animal Control	24	\$ 223,870	100%	\$ 223,870	PER	61,670	\$ 3.63	1,349	\$ 4,897
Emergency Operations Center	24	\$ 3,000	100%	\$ 3,000	PER	61,670	\$ 0.05	1,349	\$ 66
Total Public Safety	24	\$ 6,612,430		\$ 6,612,430			\$ 107.22		\$ 144,640
Total Transfers Out	25	\$ 1,013,840	0%	-----	See Footnote (d)	-----	-----	-----	-----
Total City Hall	25	\$ 190,315	0%	-----	See Footnote (d)	-----	-----	-----	-----
TOTAL APPROPRIATIONS	25	\$ 13,440,955		\$ 8,173,105			\$ 132.53		\$ 178,778

Footnotes:

(a) Per City of Aliso Viejo Fiscal Year 2011-2012 Adopted Budget.

(b) "PER" = Equivalent Resident.

(c) Total population of 48,320 per the California Dept. of Finance as of January 2011. Total employment of 26,700 per the California Employment Development Department as of Feb. 2012. For Equivalent Resident Factor, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) This analysis assumes that the Vantis project will have a de minimis impact on the budgets for community services, transfers out and city hall costs.

(e) Planning, building & safety, and engineering expenses are assumed to be offset by fees and charges.

PROPOSAL TO DEVELOP A MARGINAL COST FISCAL MODEL

Prepared for

Louisville, Colorado



May 2, 2014



**4701 Sangamore Road, S240
Bethesda, MD 20816
(800) 424-4318
www.tischlerbise.com**

May 2, 2014

Mr. Scott Robinson
City of Louisville
749 Main Street
Louisville, CO 80027

RE: Proposal to Develop a Marginal Cost Fiscal Model

Dear Mr. Robinson:

TischlerBise is pleased to submit the enclosed proposal to develop a Marginal Cost Fiscal Model for the City of Louisville, Colorado. We feel that our firm brings several distinct advantages to the process of handling this important financial and planning analysis:

- 1. No other firm has the depth of experience that TischlerBise brings to this assignment.** TischlerBise is the nation's leading fiscal impact, impact fee, and infrastructure financing consulting firm. We have completed over 700 fiscal impact studies across the country – more than any other firm.
- 2. TischlerBise's project team for this assignment is comprised of two nationally recognized experts in the area of fiscal and economic impact analysis and model development.** Carson Bise, who will serve as Project Manager for this assignment, has developed and implemented more fiscal impact models than any planner in the country and is widely regarded as the leading national practitioner in the field. In addition, Mr. Bise has authored several publications related to fiscal impact analysis and lectured extensively on the subject. Julie Herlands has substantial fiscal impact analysis experience as is demonstrated in this proposal and is also recognized as a national expert. This level of national experience allows us to facilitate meaningful conversations with City service providers and identify cost drivers for specific services that can vary due to the unique characteristics of a jurisdiction.
- 3. As a small firm, we have the flexibility and responsiveness to meet all deadlines of the City's project.** We offer the City the level of service and commitment that larger firms save for their biggest contracts.

We look forward to the possibility of working with the City of Louisville on this assignment and are committed to providing top-quality support at a very competitive price.

Sincerely,



L. Carson Bise II, AICP, President
TischlerBise, Inc.

Table of Contents

<i>Firm Qualifications.....</i>	3
<i>Project Team</i>	9
<i>Project Understanding, Approach, and Methodology</i>	15
TASK 1: PROJECT INITIATION	19
TASK 2: DETERMINING FUTURE GROWTH SCENARIOS FOR MODEL CALIBRATION.....	20
TASK 3: DEVELOP MARGINAL COST FISCAL IMPACT MODEL	21
TASK 4: FINALIZE MARGINAL COST FISCAL IMPACT MODEL	22
TASK 5: FINALIZE COST OF LAND USES FISCAL IMPACT ANALYSIS	23
<i>References.....</i>	24
<i>Project Schedule and Pricing</i>	27

Firm Qualifications

Impact Fees TischlerBise is a fiscal, economic, and planning consulting firm specializing in fiscal/economic impact analysis, impact fees, infrastructure financing studies and related revenue strategies. Our firm has been providing consulting services to public agencies for over 35 years. In this time, **we have prepared over 700 fiscal/economic impact evaluations and over 800 impact fee/infrastructure financing studies – more than any other firm.**

Fiscal / Economic Impact Analyses Through our detailed approach, proven methodology, and comprehensive product, we have established TischlerBise as the leading national expert on fiscal and economic analysis, revenue enhancement and cost of growth strategies.

Infrastructure Funding Strategies

Capital Improvement Planning

Financial / Market Feasibility While every community is unique, our unsurpassed national experience provides invaluable perspective for our clients and is a primary reason TischlerBise staff members are frequently called upon to speak on fiscal and economic impact analysis for various national groups and organizations including the American Planning Association, the National Association of Homebuilders, Growth and Infrastructure Consortium (formally the National Impact Fee Roundtable), the Urban Land Institute, and the Government Finance Officers Association.

As our proposal demonstrates, no other firm can match the depth of our experience in the area of local government fiscal impact analysis, which incorporates the elements of fiscal and demographic analysis specified in the City’s RFP. Our Project Manager, Carson Bise, AICP, is widely considered the leading national fiscal impact practitioner in the country. The core services provided by TischlerBise all involve:

Project Contact:
L. Carson Bise, II, AICP
President
 4701 Sangamore Road, S240
 Bethesda, MD 20816
 (800) 424-4318 Ext. 12
 carson@tischlerbise.com

Federal ID#: 52-1087538
Corporate Status:
S-Corporation, organized in
the District of Columbia

www.tischlerbise.com

- Determining existing and projected residential and nonresidential growth for 10-, 20- and 30-year periods.
- An examination of local government budgets to determine fixed and variable costs and revenues and the true costs of service.
- Evaluations of departmental operating structures and determination of existing levels of service as well as the most appropriate method of projecting future costs (including staff) and revenues.
- Developing meaningful and realistic capital improvement plans.
- Evaluation of implementation strategies that lead to fiscal sustainability.

COLORADO EXPERIENCE

An important factor to consider related to this work effort is our **relevant experience working in the State of Colorado**, which makes us familiar with local government revenue structures and planning and growth management issues in the state. The table below provides a comprehensive list of our fiscal and economic clients in the State of Colorado.

Fiscal and Economic Impact Experience in the State of Colorado				
Arapahoe County	Centennial	Grand Junction	Lone Tree	Steamboat Springs
Aurora	Eaton	Greeley	Mesa County	Thornton
Boulder	Erie	Johnstown	Pitkin County	Westminster
Castle Rock	Evans	Louisville	Pueblo	

UNSURPASSED NATIONAL EXPERIENCE

As stated above, TischlerBise is the national leader in fiscal impact analysis, having conducted more than 700 fiscal and economic evaluations for clients in both the public and private sector. The table below provides TischlerBise's vast fiscal/economic impact experience outside the State of Colorado.

State	Client	Cost of Land Use	Fiscal Analysis of Development Scenarios	Analysis of Annexation	Fiscal Impact Models	Development Projects
AK	Anchorage		◆			
AK	Matanuska-Susitna Borough		◆			
AR	Little Rock		◆			
AZ	Casa Grande					◆
AZ	Coolidge		◆			
AZ	Payson					◆
AZ	Peoria			◆		
AZ	Pima County				◆	
AZ	Queen Creek		◆			◆
AZ	Sahuarita				◆	◆
AZ	Scottsdale	◆	◆		◆	
AZ	Surprise					◆
AZ	Winslow		◆			
CA	Carlsbad				◆	
CA	Clovis		◆			
CA	Imperial County			◆		
CA	Napa County		◆			

State	Client	Cost of Land Use	Fiscal Analysis of Development Scenarios	Analysis of Annexation	Fiscal Impact Models	Development Projects
CA	Oceanside				◆	
CA	Pasadena	◆	◆			
CA	San Diego				◆	
CT	Groton	◆				
CT	Windsor		◆			
DE	New Castle County		◆			◆
FL	Aventura	◆				
FL	Deerfield Beach			◆		
FL	Hernando County	◆	◆			
FL	Hillsborough County		◆		◆	
FL	Kissimmee			◆		
FL	Lake County Schools	◆				
FL	Miami-Dade County		◆			
FL	Ormond Beach	◆		◆		
FL	Parkland		◆			
FL	Pelican Bay		◆			◆
FL	Plant City			◆		
FL	Sarasota County	◆				
FL	Sebastian	◆				
FL	Sunrise	◆				
FL	Venice					◆
GA	Atlanta				◆	
GA	Columbus		◆			
GA	Garden City					◆
GA	Suwanee			◆		
IA	Ankeny		◆			
ID	Hailey	◆				
ID	Post Falls		◆			
ID	Southeast Idaho Council of Governments		◆			
ID	Twin Falls					◆
IL	Bloomington		◆			
KS	Lawrence	◆	◆			
KS	Lenexa	◆	◆			

State	Client	Cost of Land Use	Fiscal Analysis of Development Scenarios	Analysis of Annexation	Fiscal Impact Models	Development Projects
KS	Olathe			◆		
KY	Georgetown			◆		
KY	Lexington				◆	
MA	Barnstable	◆				
MA	Mashpee Commons					◆
MD	Anne Arundel County		◆		✱	
MD	Calvert County		◆			
MD	Carroll County		◆		◆	
MD	Charles County	◆				
MD	Frederick		◆			
MD	Howard County		◆			
MD	Prince George's County	◆	◆		◆	
MD	Queen Anne's County		◆			
MD	Rockville			◆	◆	
MD	Rouse Company/Howard County					◆
MD	Snow Hill					◆
MD	St. Mary's County					◆
MD	Washington County		◆			
MD	Worcester County		◆			
MN	Apple Valley	◆	◆			
MN	Coon Rapids	◆	◆			
MN	Cottage Grove	◆	◆			
MN	Minnesota Department of Revenue				◆	
MN	Minneapolis	◆	◆			
MN	Plymouth		◆			
MN	Roseville	◆	◆			
MN	Shakopee	◆	◆			
MN	St. Paul	◆	◆			
MO	Lee's Summit				◆	
NC	Fort Bragg -BRAC-RTF	◆				
NC	Cary	◆	◆		◆	
NC	Chatham County					◆
NC	Cornelius					◆

State	Client	Cost of Land Use	Fiscal Analysis of Development Scenarios	Analysis of Annexation	Fiscal Impact Models	Development Projects
NC	Currituck County		◆			
NC	Davie County	◆				
NC	Guilford County		◆			
NC	Holly Springs	◆				
NC	UNC-Chapel Hill				◆	◆
NC	Wake County		◆			
NC	Wilmington-New Hanover County		◆			
NC	Wilson	◆				
NE	Lincoln				◆	
NH	Salem				◆	
NJ	Edison					◆
NJ	Englewood					◆
NJ	Old Bridge					◆
NJ	West Windsor					◆
NM	Albuquerque				◆	
NM	Bernalillo County				◆	
NV	Lincoln County		◆		◆	
NV	North Las Vegas	◆				
NV	Nye County/Pahrump/Nye County Schools	◆	◆			
NV	Reno				◆	
NV	Washoe County					◆
NY	Hampstead	◆				
OH	Dublin		◆		◆	
OH	Marysville	◆				
OH	Pickerington	◆				
OK	Oklahoma City		◆		◆	
OR	Salem			◆	◆	
PA	Adams County		◆			
PA	Delaware Valley Regional Planning Commission		◆			
PA	Lancaster		◆			
PA	Mt. Lebanon				◆	◆
SC	Beaufort County		◆			
SC	Horry County				◆	

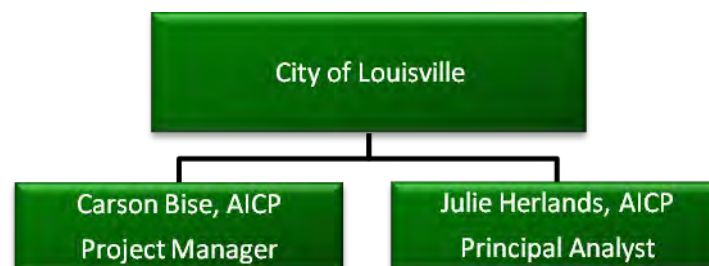
State	Client	Cost of Land Use	Fiscal Analysis of Development Scenarios	Analysis of Annexation	Fiscal Impact Models	Development Projects
SC	Orangeburg	◆	◆			
SC	Rock Hill			◆		
TN	Germantown			◆		
TN	Knox County		◆			
TN	Nashville-Davidson County				◆	
TX	Bexar County			◆		
TX	Coppell					◆
TX	San Antonio	◆				
TX	Tyler	◆				
UT	Bluffdale					◆
UT	Draper					◆
VA	Amherst County	◆				
VA	Augusta County		◆			
VA	Charles County	◆				
VA	Chesapeake				◆	
VA	Falls Church				◆	
VA	Frederick County				◆	
VA	Henrico County		◆		◆	
VA	Isle of Wight County					◆
VA	Leesburg			◆	◆	
VA	Norfolk		◆			
VA	Powhatan		◆			
VA	Prince William County		◆			
VA	Shenandoah University					◆
VA	Somerset Homes/King George County					◆
VA	Spotsylvania County		◆		◆	
VA	Stafford County					◆
VA	Suffolk					◆
WA	King County		◆			
WI	Sun Prairie		◆			
WV	McDowell County & Wyoming County		◆			

Project Team

To successfully navigate through any fiscal impact analysis, the consultant and their team must possess specific, detailed, and customized knowledge, not only of the technical aspects of the analysis, but also of the context of the analysis in achieving the City's policy goals. Two of TischlerBise's project team members are national leaders in the field of fiscal impact analysis. Mr. Bise and Ms. Herlands frequently deliver presentations at national, regional, and state conferences and served as organizers and presenters at a half-day American Institute of Certified Planners (AICP) Training Workshop entitled "*Fiscal Impact Assessment*" at the American Planning Association (APA) National Planning Conference in 2008 and 2009. Mr. Bise is featured in the APA/AICP education and training series workshops: "*The Economics of Density*," "*From Soup to Nuts: Paying for Growth*," and "*Fiscal Assessment*." Our project team of Carson Bise, AICP and Julie Herlands, AICP will provide seamless support to this assignment.



Our TischlerBise project team has successfully prepared and assisted with the implementation of similar analyses for many communities over the past several years. Both Mr. Bise and Ms. Herlands have conducted several analyses similar in complexity and scale to this assignment. The majority of these assignments included the evaluation of multiple scenarios reflecting differences in absorption and phasing, geographic service areas, variations in levels of service, and density and physical development patterns, all of which affect the factors used in development of the fiscal impact model for this assignment. The organizational chart below shows our project team for this assignment. Detailed discussion of each team member's role and experience is discussed in a subsequent section.



Carson Bise, AICP, President of TischlerBise, will serve as Project Manager for this assignment and will coordinate our project team's interaction with the City to ensure that all work is completed properly, on time, and within budget. Mr. Bise, who is widely considered the leading fiscal impact practitioner in the country, will play a large role in the demographic analysis, development of assumptions and overall design for the fiscal impact model. Recent examples of fiscal impact model development include Town of Castle Rock, CO; Cape Cod Commission, MA; City of Victor, ID; Horry County, SC; and Chesapeake, VA.

Julie Herlands, AICP, Principal at TischlerBise, will provide primary analytical support as part of this assignment. Ms. Herlands has over 15 years of relevant experience and has prepared fiscal analyses, market analysis, and revenue strategies for local governments in more than 15 states. Ms. Herlands has conducted fiscal impact evaluations of plans and major development projects and developed fiscal

impact models. Recent examples of fiscal impact model development include City of Centennial, CO; City of Lone Tree, CO; City of Aurora, CO; City of Shreveport, LA; and Anne Arundel County, MD.

L. Carson Bise, II, AICP, President, TischlerBise, Inc.

Experience:

Carson Bise has 24 years of fiscal, economic and planning experience and **has conducted fiscal and infrastructure finance evaluations in 35 states. Mr. Bise has developed and implemented more fiscal impact models than any consultant in the country.** The applications which Mr. Bise has developed have been used for evaluating multiple land use scenarios, specific development projects, annexations, urban service provision, tax-increment financing, and concurrency/adequate public facilities monitoring. Mr. Bise is also a leading national figure in the calculation of impact fees, having completed over 200 impact fees for the following categories: parks and recreation, open space, police, fire, schools, water, sewer, roads, municipal power, and general government facilities. In his seven years as a planner at the local government level, he coordinated capital improvement plans, conducted market analyses and business development strategies, and developed comprehensive plans. Mr. Bise has also written and lectured extensively on fiscal impact analysis and infrastructure financing. His most recent publications are *Fiscal Impact Analysis: Methodologies for Planners*, published by the American Planning Association, a chapter on fiscal impact analysis in the book *Planning and Urban Design Standards*, also published by the American Planning Association, and the ICMA IQ Report, *Fiscal Impact Analysis: How Today's Decisions Affect Tomorrow's Budgets*. Mr. Bise was also the principal author of the fiscal impact analysis component for the Atlanta Regional Commission's Smart Growth Toolkit and is featured in the recently released AICP CD-ROM Training Package entitled *The Economics of Density*. Mr. Bise is currently on the Board of Directors of the Growth and Infrastructure Finance Consortium and **recently Chaired the American Planning Association's Paying for Growth Task Force. He was also recently named an Affiliate of the National Center for Smart Growth Research & Education.**



Selected Fiscal Impact Analysis Experience:

- Anchorage, Alaska – *Fiscal Impact Analysis of General Plan Alternatives*
- Matsu Borough, Alaska – *Fiscal Impact Analysis*
- Town of Sahuarita, Arizona – *Fiscal Impact Model*
- Clovis, California – *Fiscal Impact Analysis of Annexation Alternatives*
- Napa County, California – *Fiscal Equity Study*
- Pasadena, California – *Cost of Land Uses Fiscal and Economic Analysis*
- Mesa County, Colorado – *Fiscal Impact Analysis of Growth Scenarios*
- City of Westminster, Colorado – *Fiscal Impact Model*
- City of Steamboat Springs, Colorado – *Cost of Land Uses Study*
- City of Kissimmee, Florida – *Fiscal Impact Analysis of Annexation Areas*
- Hernando County, Florida – *Fiscal Impact Analysis*
- Hillsborough County, Florida – *Fiscal Impact Analysis of Current Land Use Trend*
- Miami-Dade County, Florida – *Fiscal and Economic Analysis of Rural and Agricultural Areas*
- Sarasota County, Florida – *Fiscal and Economic Analysis of Development Prototypes*

- Columbus Consolidated Government, Georgia – *Fiscal Impact Analysis*
- City of Lawrence, Kansas – *Fiscal Impact Analysis of Growth Scenarios; Cost of Land Uses Study*
- City of Lenexa, Kansas – *Fiscal Impact Analysis of Growth Scenarios; Cost of Land Uses Study*
- City of Olathe, Kansas – *Fiscal Impact Analysis of Blue River 12 Plan*
- Carroll County, Maryland – *Fiscal Impact Analysis of Growth Scenarios; Revenue Strategies; Fiscal Model*
- Charles County, Maryland – *Cost of Land Use Study*
- Howard County, Maryland – *Fiscal Impact Analysis of General Plan*
- Prince George’s County, Maryland – *Fiscal Impact Analysis of Growth Scenarios; Revenue Strategies; Fiscal Model*
- Coon Rapids, Minnesota – *Fiscal Impact Analysis of Growth Scenarios (Metro Council Study)*
- Cottage Grove, Minnesota – *Fiscal Impact Analysis of Growth Scenarios (Metro Council Study)*
- Minneapolis, Minnesota – *Fiscal Impact Analysis of Growth Scenarios (Metro Council Study)*
- St. Paul, Minnesota – *Fiscal Impact Analysis of Growth Scenarios (Metro Council Study)*
- City of Lee’s Summit, Missouri – *Long-Term Financial Model*
- Town of Salem, New Hampshire – *Fiscal Impact Model*
- West Windsor, New Jersey – *Fiscal Impact Analysis of T.O.D. Project and TIF Analysis*
- Edison, New Jersey – *Fiscal Impact Analysis of T.O.D. Project and TIF Analysis*
- Town of Hempstead, New York – *Cost of Land Use Analysis*
- Sterling Forest, New York – *Fiscal Impact Model*
- City of Wilson, North Carolina – *Cost of Land Use Analysis and Revenue Strategies*
- City of Wilmington, North Carolina – *Fiscal Impact Analysis of Urban Services Provision*
- Guilford County, North Carolina – *Fiscal Impact Analysis of Growth Scenarios*
- New Hanover County, North Carolina – *Fiscal Impact Analysis of Urban Services Provision*
- City of Dublin, Ohio – *Fiscal Impact Analysis of Land Use Scenarios*
- City of Oklahoma City, Oklahoma – *Fiscal Impact Analysis of Growth Scenarios; Fiscal Impact Model*
- City of Greenville, South Carolina – *Cost of Land Use Study*
- Beaufort County, South Carolina – *Fiscal Impact Analysis of North Beaufort Plan*
- Shelby County, Tennessee – *Fiscal Equity Study*
- City of Germantown, Tennessee – *Fiscal Impact Analysis of Annexation Alternatives*
- Knox County, Tennessee – *Fiscal Equity Study*
- City of San Antonio, Texas – *Cost of Land Use Study*
- City of Draper, Utah – *Fiscal Impact Analysis of SunCrest Development Project*
- City of Chesapeake, Virginia – *Fiscal Impact Model*
- Frederick County, Virginia – *Development Impact Model*
- City of Sun Prairie, Wisconsin – *Fiscal Impact Analysis of Three Growth Scenarios*

Education:

M.B.A., Economics, Shenandoah University

B.S., Geography/Urban Planning, East Tennessee State University

B.S., Political Science/Urban Studies, East Tennessee State University

Speaking Engagements:

- Fiscal Impact Assessment, AICP Training Workshop, American Planning Association National Planning Conference
- Dealing with the Cost of Growth: From Soup to Nuts, International City/County Management Association National Conference
- Demand Numbers for Impact Analysis, National Impact Fee Roundtable
- Calculating Infrastructure Needs with Fiscal Impact Models, Florida Chapter of the American Planning Association Conference
- Economic Impact of Home Building, National Impact Fee Roundtable
- Annexation and Economic Development, American Planning Association National Conference
- Economics of Density, American Planning Association National Conference
- The Cost/Benefit of Compact Development Patterns, American Planning Association National Conference
- Fiscal Impact Modeling: A Tool for Local Government Decision Making, International City/County Management Association National Conference
- Fiscal Assessments, American Planning Association National Conference
- From Soup to Nuts: Paying for Growth, American Planning Association National Conference
- Growing Pains, International City/County Management Association National Conference
- Mitigating the Impacts of Development in Urban Areas, Florida Chapter of the American Planning Association
- Impact Fee Basics, National Impact Fee Roundtable
- Fiscal Impact Analysis and Impact Fees, National Impact Fee Roundtable
- Are Subsidies Worth It?, American Planning Association National Conference

Publications:

- "Fiscal Impact Analysis: Methodologies for Planners," American Planning Association.
- "Planning and Urban Design Standards," American Planning Association, Contributing Author on Fiscal Impact Analysis.
- "Fiscal Impact Analysis: How Today's Decisions Affect Tomorrow's Budgets," ICMA Press.
- "The Cost/Contribution of Residential Development," Mid-Atlantic Builder.
- "Are Subsidies Worth It?" Economic Development News & Views.
- "Smart Growth and Fiscal Realities," ICMA Getting Smart! Newsletter.
- "The Economics of Density," AICP Training Series, 2005, Training CD-ROM (American Planning Association).

Julie Herlands, AICP, Principal, TischlerBise, Inc.

Experience:

Julie Herlands is a Principal with TischlerBise and has 15 years of planning, fiscal, and economic development experience. She holds a B.A. in Political Science from the University of Buffalo and a Masters of Community Planning (M.C.P.) from the University of Maryland. Prior to joining TischlerBise, Ms. Herlands worked in the public sector in Fairfax County, VA, for the Office of Community

Revitalization and for the private sector for the International Economic Development Council (IEDC) in their Advisory Services and Research Department. For IEDC, she conducted a number of consulting projects including economic and market feasibility analyses and economic development assessments and plans. Her economic and fiscal impact experience includes a wide-range of assignments in over 15 states. She is a frequent presenter at national and regional conferences including serving as co-organizer and co-presenter at a half-day AICP Training Workshop entitled “*Fiscal Impact Assessment*” at the American Planning Association National Planning Conference. A session on impact fees and cash proffers presented at the APA National Conference is available through the APA training series, *Best of Contemporary Community Planning 2005*. **She is currently the Chair of the Economic Development Division of the APA.**



Selected Fiscal/Economic Impact Analysis Experience:

- Town of Queen Creek, Arizona – *Fiscal Impact Analysis of Growth Scenarios; Fiscal Impact Analysis of Development Project*
- Napa County, California – *Fiscal Equity Study*
- City of Centennial, Colorado – *Cost to Serve Fiscal Analysis; Fiscal Impact Model*
- Town of Windsor, Connecticut – *Fiscal Impact Analysis of Development Project; Fiscal Impact Model*
- Lake County Schools, Florida – *Cost of Land Use Study; Revenue Strategies*
- Shreveport Metropolitan Planning Commission of Caddo Parish, Louisiana – *Fiscal and Economic Impact Analysis of Growth Scenarios*
- Anne Arundel County, Maryland – *Fiscal Impact Analysis of Growth Scenarios; Revenue Strategies; Fiscal Model*
- Rouse Company/Howard County (Columbia), Maryland – *Fiscal Impact Analysis of Development Project*
- Town of Snow Hill, Maryland – *Fiscal Impact Analysis of Development Project*
- State of Minnesota – *Fiscal Disparities Program Study*
- Lincoln County, Nevada – *Cost of Land Use Study; Revenue Strategies; Fiscal Model*
- City of North Las Vegas, Nevada – *Cost of Land Use Study*
- Nye County/Town of Pahrump/Nye County Schools, Nevada – *Cost of Land Use Study; Fiscal Impact Analysis of Growth Scenarios*
- University of North Carolina-Chapel Hill, North Carolina – *Fiscal and Economic Impact Analysis of Development Project; Fiscal Model; Multijurisdictional Study*
- City of Coppell, Texas – *Fiscal Impact Analysis of Development Project*
- City of Bluffdale, Utah – *Fiscal Impact Analysis of Development Project*
- Henrico County, Virginia – *Fiscal Impact Analysis of Growth Scenarios; Fiscal Model*
- Town of Leesburg, Virginia – *Fiscal Impact Analysis of Growth Scenarios; Fiscal Impact Analysis of Annexation; Fiscal Model*
- Somerset Homes/King George County, Virginia – *Fiscal Impact Analysis of Development Project*

Education:

Masters of Community Planning, University of Maryland
B.A., Political Science, University of Buffalo

Speaking Engagements:

- Local Fiscal Challenges and Planning Solutions, APA National Planning Conference
- Fiscal and Market Assessment in Planning, APA Virginia Chapter Annual Conference and APA Maryland-Delaware Regional Conference
- Cash Proffers and Impact Fees, APA Virginia Chapter Annual Conference
- Fiscal Sustainability, APA Webcast
- Fiscal Impact Assessment, AICP Training Workshop, APA National Planning Conference
- Infrastructure Financing: Funding the Gap, APA National Planning Conference
- Economic Development for Planning Practitioners, Training Workshop, APA National Planning Conference
- Voluntary Mitigation Payments: An Alternative to Impact Fees, APA National Planning Conference
- Proffers vs. Impact Fees: The Virginia Experience, National Impact Fee Roundtable
- Impact Fee—Or Is It? APA National Planning Conference
- Planning and Fiscal Reality, American Planning Association National Planning Conference

Publications:

- “Should Impact Fees Be Reduced in a Recession?” Economic Development Now, August 10, 2009 (International Economic Development Council)
- “Agreements, Fees, and CIP,” The Best of Contemporary Community Planning, 2005, Training CD-ROM (American Planning Association and Lincoln Institute of Land Policy)
- “The Connection between Growth Management and Local Economic Development,” Economic Development News & Views (Economic Development Division of the APA)

Project Understanding, Approach, and Methodology

TischlerBise considers the discussion in this section to be proprietary and requests that all information in this section of the proposal remain confidential.

APPROACH AND SCOPE OF WORK

Methodology. The fiscal analysis will include an analysis of the demand for capital facilities and the resulting costs as well as the associated operating expenses and revenues. **To be defensible, the fiscal impact analysis should utilize the case study-marginal approach.** The findings should include the cumulative, average annual and annual fiscal results.

There are several approaches to conducting fiscal impact analyses ranging from true marginal costing to the comparable community approach to average cost. All approaches have some merit and provide some degree of defensibility. The average cost approach is the most popular and frequently used method for evaluating fiscal impacts. Since this approach focuses on the average cost per capita or in some cases per capita and job, it does not consider the available capacities of existing capital facilities and is difficult to reflect the cost differentials associated with the factors discussed above. In addition, it masks spatial relationships and the timing of additional facilities required to serve new growth. A major advantage of the case study-marginal approach is greater accuracy in forecasting short-term impacts of growth and policy decisions. As the discussion below will indicate, it is critical that the analysis prepared for the City of Louisville utilize the case study-marginal approach.

Utilizing a City's Fire Department as an example, the average cost approach would divide the expenditure for Fire by population and possibly employment to arrive at a figure, say \$21 per person. This cost would occur regardless of any spatial distribution. From a capital facility perspective, the case study-marginal approach would reflect whether the location and amount of growth results in the need for additional Fire Stations or the construction of additional bays at existing stations in order to meet levels of service relative to response times and coverage areas. If it is determined that current resources are sufficient in a particular geographic area, Fire costs would increase commensurate with the projected increase in calls for service resulting from each development scenario modeled for the City.

The model that TischlerBise will develop for this assignment will reflect the fact that the City is unique in terms of demographics, budgetary structure, levels of service, and growth pressures. We believe our case study-marginal approach represents the true cash flow to the public sector and will provide an analysis of growth scenarios that is grounded in fiscal reality. A further benefit of TischlerBise's approach to fiscal impact analysis is the recognition that **there are numerous factors relative to new development that influence the City's cost to provide infrastructure and services to new growth** include the geographic location, timing or phasing, and the density (which influences the physical form of the development pattern). These factors indirectly influence other factors that must be considered when developing the fiscal model. For example the physical development pattern influences the design of the street network (grid versus curvilinear), and the density and geographic location can have an influence on transportation choices (e.g., availability of transit, other multimodal options). Another factor that must be considered is the potential cost of any intervention strategies required to implement

a desired scenario. For example, the encouragement of infill or redevelopment frequently requires incentives such as tax increment financing (e.g., Minneapolis, Minnesota) or the creation of a redevelopment agency on behalf of a city, both of which have costs to the jurisdiction. Another example is public investment in infrastructure to implement economic development goals, which may take an extended period of time to recoup the upfront investment (e.g., Cary, North Carolina).

Since informed land use decisions require different types of information and the balancing of multiple objectives, including the fiscal and economic impacts, and because the revenue structures, tax rates, and local government level of service vary from one local government to another, the results of one jurisdiction's fiscal analysis cannot be applied to another jurisdiction without empirical validation.

In order to facilitate these decisions, our project approach is unique in that it disaggregates the marginal fiscal results and translates them into a "Cost of Land Uses Fiscal Impact Analysis" in which the characteristics of various residential (single family, town house, apartment) and nonresidential (retail, industrial, office) "prototypes" are defined and the annual costs and revenues associated with each prototype are determined. This reveals the generalized impacts that each land use has independently on the City's budget. Factors used to define these prototypes typically include persons per household, equivalent dwelling units, road frontage, employment per 1,000 square feet, vehicle trips, assessed value, and other appropriate demand indicators depending on revenue sources and public services provided.

A Cost of Land Use study can benefit a community in several ways. First, this type of analysis will provide a community with a straightforward depiction of the extent of the net surplus or deficit created by different types of housing units. A second benefit of this type of analysis is that it provides information useful in determining what type of nonresidential land uses should be encouraged within the City. This information can be used to determine what incentives may be appropriate for attracting fiscally sustainable land uses. This type of analysis can also provide information that will allow decision makers to implement revenue structure changes as appropriate.

Model Design. An important consideration relative to this assignment is the fact that all of the fiscal and economic impact models developed by TischlerBise are developed from the ground up, with the specific needs and desires of the client considered before beginning the development of the application. This includes a thorough understanding of the types of the analyses the City believes the model will be used for, as well as the intended audience. As part of this assignment, TischlerBise will develop, or calibrate, the fiscal impact model around a current or recent project that is representative of a "typical" evaluation. We will also survey potential users of the model as to the type of outputs that are desired from the model, as well as solicit input as to the design, look, and feel of the model.

The fiscal impact model designed for this assignment will be developed in a user-friendly environment, using Microsoft Excel and Visual Basic. The result is a powerful and flexible application that allows the user to decide the level of detail, as well as sophistication, reflected in the model. As the City grows and changes, levels of service, cost data, funding terms and other similar factors, which define fiscal expenditures, can be easily modified and updated. In addition, new modules (i.e., Community Facility District) could easily be integrated into the model at a later date. The model structure is also transparent

and will allow all users to clearly see the methodology, data, and algorithms utilized in order to verify the correct application of the data, thereby avoiding “black box” concerns.

During the development of the fiscal impact model, likely users of the model will be surveyed for their input into the design of the model including, user interface, worksheet design for individual departments, desired outputs, etc. Features that TischlerBise feels are essential to the success of the model designed for this assignment are discussed in turn. Since the models we develop contain proprietary information, we ask that Clients enter into a standard license agreement, the terms of which can be negotiated with the City. Essential features of a fiscal impact model designed for the City are discussed below.

1. Land Use/Scenario Inputs

Alternative growth scenarios and specific development projects are represented in the model by demographic projections, which can easily be substituted to test different alternatives. Inputs include projections of residential and nonresidential development, market/assessed values, sales per square foot, and other demographic characteristics of new development. Base year demographic and demand base data is entered in this module as well. The numbers of land use categories and socioeconomic/demographic factors that can be entered into the model are virtually unlimited. The scenario inputs are then used by the model to calculate annual demand generators such as population, jobs, nonresidential building area, and income, as well as the annual and cumulative tax base increases for the scenario/project being analyzed. An example is shown below.

Microsoft Excel - Harrier County Fiscal Model 5.31.07

File Edit View Insert Format Tools Data Window Navigation Operating Modules Capital Modules

Type a question for help

Garland 10 B I U % \$ %

F2

SCENARIO INPUT MODULE

SCENARIO 1 ABSORPTION 1

Go To Main Menu

RESIDENTIAL DEVELOPMENT COMPONENT

Land Use Profile	Potential New Development	Type of Absorption	Annual Absorption/Percent Absorbed	Cumulative Units Developed
				Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7
Single Family	500 Units	Annual Absorption	100 Units	100 200 300 400 500 600 700
Appraised Value: \$543,000 Per Unit	9.57 Vehicle Tips	50% Adj. Factor	0.00%	
Assessment Rate: 4.00%	Road Front Footage: 80 Linear Feet	Custom		
Multifamily	300 Units	Annual Absorption	75 Units	75 150 225 300 300 300 300
Appraised Value: \$253,000 Per Unit	6.86 Vehicle Tips	50% Adj. Factor	0.00%	
Assessment Rate: 4.00%	Road Front Footage: 30 Linear Feet	Percent Absorbed		
Housing Unit Type 3	0 Units	Annual Absorption	0 Units	0 0 0 0 0 0 0
Appraised Value: \$0 Per Unit	0.00 Vehicle Tips	50% Adj. Factor	0.00%	
Assessment Rate: 4.00%	Road Front Footage: 0 Linear Feet	Annual Absorption	0 Units	0 0 0 0 0 0 0
Housing Unit Type 4	0 Units	Annual Absorption	0 Units	0 0 0 0 0 0 0
Appraised Value: \$0 Per Unit	0.00 Vehicle Tips	50% Adj. Factor	0.00%	
Assessment Rate: 0.00%	Road Front Footage: 0 Linear Feet	Percent Absorbed	0 Units	0 0 0 0 0 0 0
Housing Unit Type 5	0 Units	Annual Absorption	0 Units	0 0 0 0 0 0 0
Appraised Value: \$0 Per Unit	0.00 Vehicle Tips	50% Adj. Factor	0.00%	
Assessment Rate: 0.00%	Road Front Footage: 0 Linear Feet	Annual Absorption	0 Units	0 0 0 0 0 0 0
Housing Unit Type 6	0 Units	Annual Absorption	0 Units	0 0 0 0 0 0 0
Appraised Value: \$0 Per Unit	0.00 Vehicle Tips	50% Adj. Factor	0.00%	
Assessment Rate: 0.00%	Road Front Footage: 0 Linear Feet	Percent Absorbed	0 Units	0 0 0 0 0 0 0
Housing Unit Type 7	0 Units	Annual Absorption	0 Units	0 0 0 0 0 0 0
Appraised Value: \$0 Per Unit	0.00 Vehicle Tips	50% Adj. Factor	0.00%	
Assessment Rate: 0.00%	Road Front Footage: 0 Linear Feet	Percent Absorbed	0 Units	0 0 0 0 0 0 0
Housing Unit Type 8	0 Units	Annual Absorption	0 Units	0 0 0 0 0 0 0
Appraised Value: \$0 Per Unit	0.00 Vehicle Tips	50% Adj. Factor	0.00%	
Assessment Rate: 0.00%	Road Front Footage: 0 Linear Feet	Percent Absorbed	0 Units	0 0 0 0 0 0 0
TOTAL	900 Units			

NONRESIDENTIAL DEVELOPMENT COMPONENT

Land Use Profile	Potential New Development	Type of Absorption	Annual Absorption/Percent Absorbed	Cumulative Acreage and Square Footage Developed
				Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7
Retail	100,000 Sq. Ft.	Annual Absorption	50,000 Sq. Ft.	50,000 100,000 100,000 100,000 100,000 100,000 100,000
Appraised Value: \$95 Per Sq. Ft.	20% Adj. Factor	50% Adj. Factor	0.00%	
Employment Density: 2.96 Per 1,000 Sq. Ft.	\$300 Sales Per Sq. Ft.	Annual Absorption	10,000 Sq. Ft.	10,000 15,000 15,000 15,000 15,000 15,000 15,000
Office	15,000 Sq. Ft.	Annual Absorption	10,000 Sq. Ft.	10,000 15,000 15,000 15,000 15,000 15,000 15,000
Appraised Value: \$85 Per Sq. Ft.	50% Adj. Factor	50% Adj. Factor	0.00%	
Assessment Rate: 6.00%	Road Front Footage: 60 Linear Feet	Percent Absorbed	0 Units	0 0 0 0 0 0 0

Ready

NUM

2. Infrastructure/Capital Facilities

Capital facilities and infrastructure needs can be factored in the model through a combination of ways. First, the user can elect to have the model forecast additional capital facility needs for the particular scenario/project being evaluated using predefined criteria for each category of facility. This can be done by the marginal consumption of the available facility capacity or by defining levels of service. The second option is for the user to input capital projects directly into the model. This is usually based on adopted capital improvement or facility master plans. A third option is a combination of both. Regardless of the selected approach, the user will be able to factor lag/lead time of construction, useful life of the improvement, and financing mechanisms. This module can also be designed to apply specific revenue streams to specific facility types, as well as provide information that can be used in exaction negotiations with prospective developers. An example is shown below.

Microsoft Excel - HCCCPC Model.xls														
File Edit View Insert Format Tools Data Window Help														
Type a question for help														
Times New Roman 10 B I U														
E29														
	A	B	C	D	E	F	G	H	I	J	K	L	M	N
40														
41														
42	Region 6	Rated Capacity	Enrollment	Utilization										
43	Elementary Schools	12,699	12,214	96%										
44	Middle Schools	5,138	4,948	96%										
45	High Schools	5,004	5,027	100%										
46	Total	22,841	22,189	97%										
47														
48	Region 7	Rated Capacity	Enrollment	Utilization										
49	Elementary Schools	14,042	12,590	90%										
50	Middle Schools	7,062	7,323	104%										
51	High Schools	6,440	5,911	92%										
52	Total	27,544	25,824	94%										
53														
54	Elementary Schools		82,243											
55	Middle Schools		40,743											
56	High Schools		42,686											
57														
58														
59														
60	School Capital Facilities Factor-Based Inputs													
61														
62														
63	Capital Facilities Standards and Costs													
64														
65														
66														
67	Facility Type	Base Year Inventory	Need For Facility Based On:	Citywide LOS by Capital Facility	Current Cost/Unit (\$000's)	Inflation Adjustment (+/-)								
68	Elementary Schools	Schools	2480	FIXED	\$9,000	0%								
69	USEFUL			PROTOTYPE										
70	FACILITY			FACILITY CAPACITY (seats):	960		Schools							
71	LIFE	New Facility (years):	30	CONSTRUCTION THRESHOLD	100%									
72														
73	LAG/LEAD	Funding to Delivery (years):	0	FUNDING METHOD:	Bond Rate:	5.00%								
74	TIME:	Bond to 1st Year DS:	0	Percent Bonded:	50%	Bond Term:	20							
75														
76	Middle Schools	Schools	13746	FIXED	\$18,000	0%								
77	USEFUL			PROTOTYPE										
78	FACILITY			FACILITY CAPACITY (seats):	1,375		Schools							
79	LIFE	New Facility (years):	30	CONSTRUCTION THRESHOLD	100%									
80														
81	LAG/LEAD	Funding to Delivery (yrs):	0	FUNDING METHOD:	Bond Rate:	5.00%								
82	TIME:	Bond to 1st Year DS:	0	Percent Bonded:	65%	Bond Term:	20							
83														

3. Operating Costs

The fiscal impact model analyzes the impact of changes on the demand for services and programs and on future operating budgets. The model will be structured by department or program area, with the ability to reflect several layers of operating costs. For example, the parks department is likely to have program-related operating costs that are impacted by population growth, whereas other costs may be impacted by the incremental expansion of park facilities. Furthermore, it is desirable to separate growth-related staffing requirements that may be incurred at specific thresholds versus facility-related costs for mowing and maintenance. An example is shown below.

Microsoft Excel - OKC Fiscal Model.xls									
J991 =A18* DEPARTMENT SUMMARY*									
	A	B	C	D	E	F	G	H	I
123	Office Specialist	\$25,891	35%	3%	\$34,953			Office Specialist	\$2
124	Traffic Maintenance Worker	\$25,891	35%	3%	\$34,953			Traffic Maintenance Worker	\$2
125	Unit Operations Leader	\$36,602	35%	3%	\$49,413			Unit Operations Leader	\$2
126	Unit Operations Supervisor	\$46,708	35%	3%	\$63,056			Unit Operations Supervisor	\$4
127	Staff Type 10	\$0	35%	3%	\$0			Staff Type 10	
128	Staff Type 11	\$0	35%	3%	\$0			Staff Type 11	
129	Staff Type 12	\$0	35%	3%	\$0			Staff Type 12	
130	Staff Type 13	\$0	35%	3%	\$0			Staff Type 13	
131	Staff Type 14	\$0	35%	3%	\$0			Staff Type 14	
132	Staff Type 15	\$0	35%	3%	\$0			Staff Type 15	
133	BASE YEAR BUDGET AND FACTOR PROJECTION METHODOLOGY INPUTS								
134	TRAFFIC MANAGEMENT								
135	Expenditure	FY 2007	Project Using	Demand Unit	Projection	Annual	LOS Std		
136	Name	Budget Amount	Which Demand Base?	Multiplier	Methodology	Change	\$ per		
137						(+/-)	Demand Unit	Fiscal Year->	
138	Personal Services	\$879,488	SEE BELOW	1.00	CONSTANT	0%	\$0.00		
139	Other Services & Charges	\$125,797	NON-CORE VEHICLE TRIPS	1.00	CONSTANT	0%	\$0.04		\$87
140	Supplies	\$18,675	NON-CORE VEHICLE TRIPS	1.00	CONSTANT	0%	\$0.01		
141	Capital Outlay	\$0	FIXED	1.00	CONSTANT	0%	\$0.00		
142	Transfers	\$0	FIXED	1.00	CONSTANT	0%	\$0.00		
143	Direct Entry Cost Type 1	\$0	DIRECT ENTRY	1.00	CONSTANT	0%	\$0		
144	Direct Entry Cost Type 2	\$0	DIRECT ENTRY	1.00	CONSTANT	0%	\$0		
145	Direct Entry Cost Type 3	\$0	DIRECT ENTRY	1.00	CONSTANT	0%	\$0		
146	TOTAL	\$1,023,960							
147	TRAFFIC MANAGEMENT STAFFING INPUT								
148		FY 2007	Project Using	Current Demand	% Estimate	Remaining	Estimated		
149	Category	Positions	Which Demand Base?	Units Served	of Available	Capacity/	Service		
150				Per Position	Capacity	Initial Hire	Capacity		
151	Civil Engineer	2.0	NON-CORE VEHICLE TRIPS	1,524,630	5%	76,232	1,041,831		
152	Engineer in Training	1.0	FIXED	0	0%	0	0		
153	Engineering Aide	1.0	FIXED	0	0%	0	0		
154	Financial Specialist	1.0	FIXED	0	0%	0	0		
155	Mapping Specialist	1.0	NON-CORE VEHICLE TRIPS	3,049,261	5%	152,463	1,600,862		
156	Office Specialist	1.0	NON-CORE VEHICLE TRIPS	3,049,261	5%	152,463	1,600,862		
157	Traffic Data Analyst	3.0	NON-CORE VEHICLE TRIPS	1,016,420	15%	152,463	800,431		
158	Traffic Data Collector	3.0	NON-CORE VEHICLE TRIPS	1,016,420	15%	152,463	800,431		
159	Staff Type 9	0.0	FIXED	0	0%	0	0		
160	Staff Type 10	0.0	FIXED	0	0%	0	0		
161	TRAFFIC MANAGEMENT ANNUAL STAFFING THRESHOLD								
162									

4. Revenues

The fiscal impact model will include both annual and one-time revenues. TischlerBise will work with the City to determine the appropriate projection methodologies. In addition to standard General Fund revenue, the user will have the option of applying program-related revenues such as recreation fees against expenditures.

The following is our suggested Scope of Work for this phase of the assignment. We have designed this work plan to be responsive to the City's needs and specific circumstances.

TASK 1: PROJECT INITIATION

Description: During this task, we will meet with City of Louisville staff to establish lines of communication, review and discuss project goals and expectations related to the

project, and review (and revise, if necessary) the project schedule. The purpose of this initial discussion is outlined below:

- Obtain and review current demographics and other land use information for the City of Louisville
- Review and refine work plan and schedule
- Assess additional information needs and required staff support
- Identify and collect data and documents relevant to the analysis, including budgets, relevant planning documents and GIS shape files
- Identify any major relevant policy issues

Discussion of Model Design. As part of the Project Initiation activities, TischlerBise will meet with relevant staff to discuss several items. The first is agreement on the idealized structure and potential applications of the fiscal impact model. The second item for discussion relates to the project(s) that will be used in order to develop and calibrate the model. TischlerBise recommends that the project used to calibrate the model reflects the type of project that the City envisions using the model to evaluate. This real world example will ensure that the model has full capabilities as it is designed.

Meetings: One (1) on-site visit to meet with various City staff and elicit feedback on model design and project expectations.

Deliverable: Data request memorandum.

TASK 2: DETERMINING FUTURE GROWTH SCENARIOS FOR MODEL CALIBRATION

Description: In this task, TischlerBise, in concert with City staff, will develop growth scenarios in order to calibrate the fiscal impact model. This can include a citywide analysis or a specific development project. This will include the following:

Growth Scenarios. It is anticipated that one to two growth scenarios will be evaluated as part of this calibration. By right development is an obvious candidate that can then be compared against alternatives, whether it be growth rates, mix of uses, physical development pattern, etc. As part of this task, our team will conduct a "brainstorming" session to help define the parameters of each scenario as well as determine what intervention strategies (e.g., changes in zoning, implementation of infrastructure policy, etc.) might be required by the City to implement the scenario. Finally, a forecast of future development by land use type will be prepared for each scenario.

Development of Land Use Profiles (Prototypes) for Each Scenario. To ensure the optimum inputs for each scenario, TischlerBise, with some assistance from City staff, will develop specific assumptions for each land use type that comprise each growth scenario. For residential land uses (e.g., single-family detached versus multifamily), these factors include person per household, lot size, assessed value, street frontage, vehicle trip and trip adjustment factors, average trip length, income and discretionary spending. From a nonresidential perspective this will include employment densities,

vehicle trip generation rates and adjustment factors, trip lengths, street frontage, etc. These factors may vary by scenario and will serve to refine the costs and revenue factors by scenarios and geographic location. For example, the amount of residential street frontage added to the City's system roadway network is likely to be less per unit as density increases.

TASK 3: DEVELOP MARGINAL COST FISCAL IMPACT MODEL

Description: Developing the fiscal impact model consists of several subtasks, outlined below.

Determine Level of Service & Cost / Revenue Factors for each Town. TischlerBise will review budget documents for the City and will conduct meetings with service providers from all affected departments. The purpose of these onsite interviews is to provide us with an understanding of the departmental structure and scope of operations, discuss facility-related variable costs and other operating expenses, as well as discuss and finalize methodologies for forecasting future demand for services and facilities resulting from new development. This will allow for cost differentials between greenfield versus infill development. Based on the interviews, we will determine the fixed, variable, and semi-variable operating and capital costs for all relevant services and facilities. We will also determine the major demand indicators for each appropriate land use type in the proposal, discuss and determine levels of service for each department or service, and determine the service relationship to each land use type in terms of costs and revenue factors.

In determining capital facility costs resulting from development, we are likely to utilize one of two approaches, depending on data availability and discussions with staff. One approach will be direct entry of capital facility information, if it is known through budget and financial information that the facility will be constructed and will partially or fully serve growth from the proposed project. A second is for the fiscal impact model designed for this assignment to calculate the need for new capital facilities as a function of existing available capacities and projected growth from the project.

Develop Parameters and Methodology for Fiscal Impact Model. Based on the information obtained during the previous subtask, TischlerBise will design the fiscal impact model reflective of the budgetary structure of the City. The model will be proprietary and for use by the City, under a licensing agreement. As part of the development process, likely users of the model and department representatives will be surveyed regarding design of the user interface and specific reports that City staff would like to see generated by the model. These reports can include virtually any type of graph as well as specific tables summarizing revenues, expenditures, bonding and staffing information, among others. The model outputs will be shown annually, cumulatively, as well as on an average annual basis for various time increments (an overall time horizon of 20 years is typical).

Meetings: Onsite meetings with City staff and one (1) meeting with the City Finance Committee/City Council.

Deliverable: Draft working version of the fiscal impact model.

TASK 4: FINALIZE MARGINAL COST FISCAL IMPACT MODEL

Description: Upon approval and acceptance of the final fiscal impact model, the consultant will train a group of City staff on the methodology and user inputs of the model.

User Documentation. The User Documentation developed by TischlerBise will include a training manual that discusses the use and technical aspects of the model. This will include a discussion of the different cost components for the various City service providers, including both facility and non-facility related operating expenses, methodologies for forecasting future capital facility needs, and associated operating expenses. The manual should provide virtually all of the information needed to operate and maintain the model. For example, the manual will discuss modification of cost/revenue factors, how the formulas work, and the creation of custom formulas, as well as how to amend financial policy factors, socioeconomic factors, and land use factors.

It is anticipated that the User Documentation will consist of the following Chapters:

- Executive Summary
- Description of Assumptions and Methodologies
- Staffing/Cost Requirements
- Model Effectiveness Evaluation Plan
- Discussion of the Design and Use of Each Module of the Fiscal Impact Model
- Helpful Excel Hints

Implementation. In this subtask, TischlerBise will conduct two onsite training sessions with appropriate City staff and interested stakeholders. In the first training session, staff will be trained on the structure of the model, data inputs, how to incorporate different methodologies/demand factors, and how to develop additional modules. A second training session will be provided at a mutually agreed upon time. The focus of this session will be to encourage various “hands on” applications and to answer questions. In addition to the two training sessions, TischlerBise will be available for toll-free technical assistance for a period in perpetuity. As part of the implementation, TischlerBise will work with City staff to determine the cost and staffing estimates required of the City to implement this fiscal impact model. We will also prepare any relevant promotion/education materials.

Annual Updates. To aid the user with model updates (if the City would like to make changes at any time), a color-coding system for input/output cells will be used throughout the fiscal impact model designed for the City of Louisville and documented in the User’s Manual. For example, we typically color code all User Inputs cells yellow.

User Input cells are used to input such items as development schedules (scenarios), base year demographic data, base year budget data, as well as direct entry cost (overrides to model formulas) and revenue data. Cells with green shading are typically referred to as Demand Bases. These cells contain formulas that convert scenario input information into annual Demand Bases that are used by the model to calculate costs and revenues. Examples of Demand Bases include population, housing units, vehicle trips, and calls for police services. Cells with no shading at all contain formulas that calculate various outputs throughout the model. The user should exercise great caution prior to editing, copying or erasing these types of cells, as any errors can greatly affect the accuracy and validity of the results.

Meetings: Two (2) on-site visits to train City staff on the functionality, user features, and outputs of the model. One (1) meeting with the City Finance Committee/City Council.

Deliverable: Final working version of the fiscal impact model and User's Manual.

TASK 5: FINALIZE COST OF LAND USES FISCAL IMPACT ANALYSIS

Description: After receiving feedback from City staff and/or City Council from the previous task, TischlerBise will prepare a memorandum reflecting the revenue and costs generated from various land uses in the City.

The Cost of Land Uses Fiscal Impact Analysis prepared by TischlerBise will discuss the full cost and revenue allocation for each residential and nonresidential land use. The residential results will be presented on a per unit basis and the nonresidential on a per 1,000 square foot basis. It is anticipated the Memorandum will have the following sections:

- Executive Summary
- Annual Fiscal Results by Scenario
- Fiscal Results by Land Use Prototype
- Major Revenue Findings
- Major Capital Cost Findings
- Major Operating Expense Findings

The Memorandum will be a stand-alone document, which will be clearly understood by all interested parties.

Meetings: One (1) on-site visit to present a Public Workshop on the new fiscal impact model.

Deliverable: Technical Memorandum outlining the fiscal impact of various land uses; Presentation materials as appropriate.

References

Our proposed project team for the City of Louisville has worked on numerous projects similar in size and complexity to the City’s assignment. Below are references from these assignments. We have listed only projects with which our project team members were associated.

City of Aurora, Colorado – *Feasibility Study for the Formation of a City and County of Aurora (2012-Present)*

Michelle Wolfe, Deputy City Manager, Administrative Services
15151 East Alameda Parkway, Aurora, CO 80012
(303) 739-7124
mwolfe@auroragov.org

The City of Aurora, Colorado, contracted with TischlerBise in late November 2012 to conduct a Feasibility Study on the Formation of a City-County of Aurora. The project involves identifying pros and cons of forming a county, defining land use and service/facility delivery scenarios, analyzing demographic conditions, determining revenue streams, determining baseline operating and capital costs, and analyzing overall fiscal feasibility of forming a city-county of Aurora. TischlerBise has developed a fiscal impact model for use in the analysis of County formation, particularly the operating and capital net fiscal impacts. Also part of the assignment, TischlerBise is analyzing the services provided countywide versus in the unincorporated area compared to revenues generated from the City of Aurora to determine the amount of funding the City of Aurora contributes to the County services it receives. Anticipated completion of the Feasibility Study is late 2013/early 2014.

City of Centennial, Colorado – *Cost to Serve Fiscal Impact Analysis and Fiscal Impact Model (2012-13)*

Corrin Spiegel, CECD, MPA, MS, Economic Development Manager
13133 E. Arapahoe Road, Centennial, CO 80112
(303) 754-3351
cspiegel@centennialcolorado.com

The City of Centennial, Colorado, contracted with TischlerBise in late October 2012 to conduct a “cost to serve” fiscal impact analysis and fiscal impact model for use by the City of Centennial in analyzing development projects. TischlerBise worked with City staff to identify ten land use categories—three residential and seven nonresidential—to evaluate for this analysis. The land use prototypes selected were meant to provide a representative sample of a variety of land uses in the City to compare and contrast. Delivery and presentation of the cost to serve findings occurred in late July 2013. As a second part of the project, TischlerBise developed a fiscal impact model for use by the City in evaluating development proposals. The tool is a flexible application that allows for testing of three scenarios at a time as well as varying development assumptions such as values (property and construction), absorption rates, vehicle trip rates, household sizes, etc. Delivery of the model and training occurred in October 2013. Ongoing technical assistance and annual updates are available to the City.

Town of Sahuarita, Arizona –Fiscal Impact and Market Analysis (2008)

A.C. Mariotti, Finance Director
375 W. Sahuarita Center Way
Sahuarita, AZ 85629
Phone: (520) 822-8844
amariotti@ci.sahuarita.az.us

TischlerBise conducted a three part evaluation for the Town of Sahuarita. The analysis was triggered by the proposed Rancho Sahuarita Town Center that is seeking a certain level of financing through the future sales tax collections. In response, The Chesapeake Group conducted an assessment of the opportunities for additional retail, transient accommodations and other land uses. The fiscal evaluation conducted by TischlerBise indicated that although the project generates net surpluses, the Town should not enter into a tax-sharing agreement. The Town derives little revenue from residential development because there is no property tax. Since the Town has a significant amount of residential development when compared to nonresidential development, it is imperative that any sales tax revenue generated by new development be utilized to subsidize future residential development (including that of first phase of Rancho Sahuarita) since the Town, at present, does not have a significant sales tax base. The third phase of this assignment involved implementing a fiscal impact model for the Town's use in reviewing future development proposals.

Pottstown Metropolitan Regional Planning Commission – Marketing the Pottstown Region: Strategic Economic Development Plan and Fiscal Impact Analysis (2011-2012)

John S. Cover, AICP, Chief of Community Planning
PO Box 311
Norristown, PA 19404
Phone: (610) 278-3741
Fax: (610) 278-3941
jcover@montcopa.org

TischlerBise and The Chesapeake Group recently completed a Strategic Economic Development Plan and Fiscal Impact Analysis for the Pottstown Metropolitan Regional Planning Commission (through the Montgomery County Planning Commission along with funding from the Delaware Valley Regional Planning Commission). The project included four phases: (1) Community Assessment; (2) Regional Market Assessment; (3) Fiscal Impact Analysis; and (4) Strategic Regional Economic Development Implementation Plan. The first three phases of the assignment assessed land use and economic conditions and trends as well as an identification of potential market opportunities in the region, which is home to eight jurisdictions. A detailed market assessment for the region was conducted, which led to a Strategic Economic Development Plan. In addition, based on the findings of the first phases, three scenarios were evaluated to determine the fiscal impact of different rates and location of future growth. The fiscal impact analysis included the direct costs and revenues to each of the eight separate localities and four school districts in the region. In addition, part of the fiscal impact analysis also included potential intervention strategies that may or may not require a public cost to incentivize development. The findings of the fiscal impact portion of the study—including intervention strategies—informed the

final economic development and land use strategy and policy recommendations for the region. The project also provided a fiscal impact model for use by the County in assessing the fiscal impact of major development projects in the region.

Project Schedule and Pricing

The following table provides our proposed project schedule for the City's assignment. The schedule is inclusive of all tasks, meetings, and deliverables outlined in the Scope of Work. As indicated below, we estimate a project schedule of slightly over three (3) months.

Louisville, CO - Development of Marginal Cost Fiscal Impact Model																	
Tasks:	June					July				August				September			
	2	9	16	23	30	7	14	21	28	4	11	18	25	1	8	15	22
Task 1:Project Initiation	◆																
Task 2: Determine Future Growth Scenarios		◆															
Task 3: Develop Marginal Cost Fiscal Impact Model						◆			◆								
Task 4: Finalize Marginal Cost Fiscal Impact Model										◆							◆
Task 5: Finalize Cost of Land Uses Fiscal Impact Analysis																◆	
◆ Meeting / Deliverable																	

The following table presents our proposed project fee for this assignment and encompasses the tasks, meetings and deliverables identified in our scope of work. Please note this is fixed fee proposal and includes direct expenses related to the projects with no overhead mark-up. TischlerBise bills monthly, on a percentage complete basis for each task.

City of Louisville, CO - Development of Marginal Cost Fiscal Model				
Hourly Rates:	Carson Bise	Julie Herlands	TOTAL	
	\$195	\$175	Hours	Costs
Tasks:				
Task 1: Project Initiation	8	8	16	\$2,960
Task 2: Determine Future Growth Scenarios	24	8	32	\$6,080
Task 3: Develop Marginal Cost Fiscal Impact Model	40	48	88	\$16,200
Task 4: Finalize Marginal Cost Fiscal Impact Model	16	40	56	\$10,120
Task 5: Finalize Cost of Land Uses Fiscal Impact Analysis	16	36	52	\$9,420
Subtotal:	104	140	244	\$44,780
Project Expenses:				\$3,800
TOTAL:				\$48,580



City Council
Meeting Packet
June 10, 2014

Addendum #1
Items presented at the meeting.

COMMUNITY GARDEN PROPOSAL

LOUISVILLE SUSTAINABILITY ADVISORY BOARD

June 9th, 2014

WHY COMMUNITY GARDENS???

Community Positives

- Gardens **beautify and improve land** (*88% of non-gardeners want to see gardens in their neighborhood*)
- Development and maintenance is **less expensive than parks**
- *Gardens* **promote stronger neighborhood ties, social activities, community leadership, outreach, and volunteerism**

June 9th, 2014

WHY COMMUNITY GARDENS???

Health Positives

Colorado School of Public Health - *Gardens for Growing Healthy Communities* research:

- Gardeners and their children eat healthier diets than non-gardening families
- > 50% of CG **meet national guidelines for fruit and vegetable intake** (25% for non-gardeners)
- 95% **give away produce**; 60% donate to food assistance programs

June 9th, 2014



LOUISVILLE SPECIFICS
Griffith and Garfield-NW Corner Location



June 9th, 2014

LOUISVILLE SPECIFICS
Griffith and Garfield-NE Corner Location



June 9th, 2014

LOUISVILLE SPECIFICS

Cottonwood Park Location



June 9th, 2014

LOUISVILLE SPECIFICS

Example Garden Design



Organizational Aspects

- Agreement between City and 501 (c)(3)
- Nominal fee for use of land
- Garden *Management Committee*
- Member contracts, fees, bylaws
- Volunteer labor
- Funding from grants/city/donations

June 9th, 2014

Cost Estimate - \$14,050

1. Irrigation Connection and Distribution System
 - ¾" water tap and fees - \$10,000
 - Backflow and cage/sub-meter/drain/drip system - \$950
 - 1" and ¾" pvc pipe, couplers and spigots - \$200
 - Hose reel posts 8@\$50/each - \$400
2. "Accessible" Crusher-Fine Pathways
 - Garden site fine grading? volunteer labor
 - Weed barrier plastic and pins - \$200
 - Crusher-fine gravel for 3,690 ft². (delivered)? 30 tons@\$20/ton - \$600
 - Loading/compaction equipment rental \$400
3. Amended Garden Beds
 - Compost (delivered?) 20 yds. @\$20/yd. - \$400
 - Rototiller rental and fuel - \$200
4. Tool Shed and Compost Bins - OPTIONAL
 - Garden storage shed - \$2,500
 - Three-section compost bin (fencing materials) - \$200

Community Outreach

- Scholarship plots
- Education events: composting, organic gardening, growing in Colorado's climate
- Live music/art events
- Children's pumpkin growing contests
- Donations to food banks

June 9th, 2014

Next Steps

- Approval by council
- Final project plan
- Special Use Review
- Grant Proposals
- Selection of gardeners
- Construction of garden

June 9th, 2014